

RESOLUTION NO. 2021-042

RESOLUTION OF THE MAYOR AND THE CITY COUNCIL OF THE CITY OF HIALEAH EXPRESSING THEIR OPPOSITION TO PROPOSED SENATE BILL 76 AND CORRESPONDING HOUSE BILL 305 THAT WOULD ALLOW INSURANCE COMPANIES TO DEPRECIATE THE COST OF A ROOF OLDER THAN TEN YEARS RESULTING IN PRACTICALLY NO RECOVERY FOR ROOF DAMAGE.

WHEREAS, in Florida there are two options available when purchasing a homeowner's property insurance policy: replacement cost and actual cash value; and

WHEREAS, replacement cost is defined in the policy as the cost to repair or replace damaged property with materials of like kind and quality, without any deduction for depreciation; and

WHEREAS, actual cash value is the cost to repair or replace damaged property with material of like kind and quality, minus the cost of depreciation due to use, wear, obsolescence, or age; and

WHEREAS, while the Florida Office of Insurance Regulation approves policy forms that adjust losses on the basis of actual cash value—for the depreciated value of damaged home—the insurer must still offer an insured replacement cost insurance before issuing the policy; and

WHEREAS, Senate Bill 76 will punish insureds who have had dutifully paid premiums over the years, if not for decades, for replacement cost insurance by eliminating the obligation of insurance companies to pay for the actual cost to repair their roofs if over ten years old by allowing depreciation to be deducted for each year, except when there is a total loss or destruction of the property; and

WHEREAS, factoring in the deductible to include depreciation will leave insureds with little if no recovery; and

WHEREAS, a roof over one's head is literally one of the most important components of a home that provides for habitability against the elements, as well as commercial properties that shall be subject to the new legislation; and

WHEREAS, Senate Bill 76 shall result in a windfall for the insurance companies, great harm to insureds, leaving insureds woefully under-insured based on roof reimbursement schedules promulgated by insurance companies with no guarantee that premiums shall be reduced, particularly for homeowners; and

WHEREAS, Both Senate Bill 76 and House Bill 305 add a new requirement to provide a detailed written notice to an insurance company before suit can be filed and requiring the insured to participate in an alternative dispute resolution, further delaying resolution of claims and further exacerbating harm to insureds.

THEREFORE, BE IT RESOLVED BY THE MAYOR AND THE CITY COUNCIL OF THE CITY OF HIALEAH, FLORIDA, THAT:

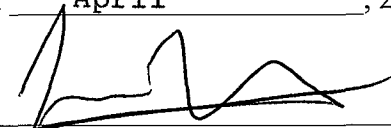
Section 1. The foregoing facts and recitations contained in the preamble to this Resolution are hereby adopted and incorporated by reference as if fully set forth herein.

Section 2. The Mayor and the City Council of the City of Hialeah strongly oppose Senate Bill 76 and House Bill 305.

Section 3. The City Clerk is directed to send a certified copy of this Resolution to the Clerk for the Senate and House of Representatives, Representatives Rommel, Hage, Melo, Sabatini, Boyd and Brandes, the Governor, and such other persons as may be appropriate as may be determined by the Mayor and City Council.

Section 4: This resolution shall become effective upon signature of the Mayor of the City of Hialeah, Florida or at the next regularly scheduled City Council meeting, if the Mayor's signature is withheld or if the City Council overrides the Mayor's veto.

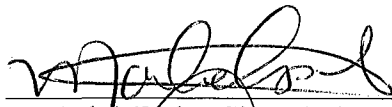
PASSED AND ADOPTED this 27 day of April, 2021.



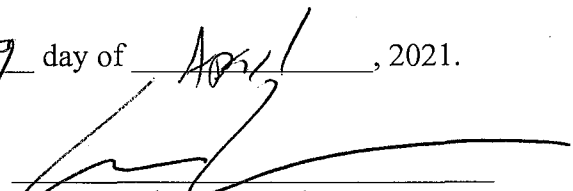
Jesus Tundidor
Council President

Attest:

Approved on this 29 day of April, 2021.

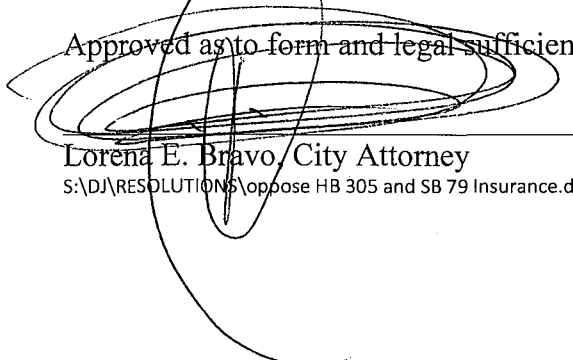


Marbelys Fatjo, City Clerk



Mayor Carlos Hernandez

Approved as to form and legal sufficiency:



Lorena E. Bravo, City Attorney

Resolution was adopted by 5-0-2 vote with Councilmembers, De la Rosa, Garcia-Roves, Perez, Tundidor, and Zogby voting "Yes" and with Council Member Cue-Fuente and Council Member Hernandez absent.