

# Florida Condo Association and Co-Ops Face the Reality of Legislative Updates

Nearly three years ago, we all witnessed the partial collapse of the Champlain Towers South building in Surfside, Florida. Ninety-eight residents were killed and hundreds left homeless. The investigation into the cause of the collapse is ongoing, with the National Institute of Standards and Technology (NIST) [expecting their technical work to be substantially completed in late June 2024](#) and their report with findings and recommendations to come late June 2025.

Impacts to the real estate market across Florida were immediate. The Florida Legislature drafted many bills suggesting changes to the Florida Condominium Act, ultimately passing [Florida Senate Bill 4-D](#) in May 2022 and quickly following it up with [Florida Senate Bill 154](#) in June 2023.

While some requirements of these bills took place immediately, others are set to go into effect later this year.

## CONTACT

To learn more about how Amwins can help you place coverage for your clients, reach out to your local Amwins broker.

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## Florida SB 4-D

This bill created safety requirements for condos and co-ops three or more stories tall. Specifically, Florida SB 4-D requires these condos or co-ops to complete milestone safety and structural inspections at 30 years of age (and every 10 years thereafter) or buildings 25 years of age (and every 10 years thereafter) if the building is located within three miles of the coastline.

Additional requirements include updates to the Florida Building Code (FBC) which now requires that when 25% or more of roof section, system, etc. is replaced or repaired, only the portion of the roof undergoing work must be constructed in accordance with FBC. Prior to this revision, FBC required no more than 25% of the roof be repaired, replaced, etc. unless the entire existing roofing system or section confirmed to FBC code.

Updates to the funding of reserves for continued maintenance and repair of condominium and co-op buildings have perhaps been the biggest and most financially impactful changes implemented thus far.

**Condominium Owners Associations (COAs) and Co-Ops must complete a structural integrity reserve study (SIRS) every 10 years for each building in an association that is three stories or higher in height.** *Note: A structural integrity reserve study (SIRS) is a study of the reserve funds required for future major repairs (\$10,000+) and replacement of common elements impacting the structural integrity of the building such as the roof, exterior painting and water proofing, plumbing, electrical systems, etc. as determined by a visual inspection of the same elements.*

**In addition to the visual inspection, the SIRS must state the estimated remaining useful life, and the estimated replacement cost** of the roof, load bearing walls and other primary structural elements, including the floor, foundation, fireproofing and fire protection systems.

**Unit owner-controlled associations must properly fund items identified in the SIRS.** Using or reducing these funds is prohibited and funds can only be used for the specific item identified in the study. *Note: Initially, this portion of the law was to go into effect December 31, 2024; however, Senate Bill 154 has delayed implementation until December 31, 2025.*

**Failure to comply with SB 4-D can result in personal liability** of board members.

While these changes were made to improve prior law, the end result is that condo ownership is more expensive.



## Senate Bill 154 (Glitch Bill)

As SB 4-D went into effect, the challenges of implementing the new requirements became clear. A few key issues stood out:

- Due to the limited pool of licensed architects and engineers, it was not feasible to complete the number of milestone inspections that were originally required by December 31, 2024.
- It was not clear if compliance notices local enforcement agencies could send would shorten or extend the statutory deadline.
- SIRS inspections of floors and foundations could not be performed without being overly intrusive.
- The 25-year deadline of certain coastal condos had already passed.

Passed in June 2023, this follow-up or “Glitch Bill” as it is known, SB 154 aimed to clarify SB 4-D by providing the following solutions:

 **Milestone inspections may be performed by a team of professionals working under a licensed architect or engineer.** This effectively increased the pool of manpower to perform the inspections.

 **The initial deadline for condos was extended to December 31, 2025.** This addressed deadlines that have already passed.

 **The 25-year deadline for coastal condos was removed** and local agencies were authorized to impose a new 25-year deadline.

 **The SIRS requirement no longer includes floors and foundations.** It now requires inspection of “structure, including load-bearing walls” rather than simply “load bearing walls.”

 **Those performing the SIRS are authorized to determine that no reserve requirement is needed if useful life is greater than 25 years** or recommend a deferred maintenance expense for such components.

In general, SB 154 means that milestone inspections, SIRS and increased reserve requirements are here to stay. However, the implications of this more recent legislation remain to be seen. We will continue to evaluate the market and keep you apprised of challenges and innovative solutions.

## Takeaway

While both bills support a continued emphasis on safety and stability for COAs and co-ops, the cost of owning these properties remains a pressure point. And, as long as reserves must be fully funded – some estimates show that only 25% of condos are fully funded at this time – we believe wind loss limits in this space will be seen as a way to cut costs on existing insurance programs.

It's important to note, however, that full limits are still required under [Statute 718](#). Despite many insureds placing loss limit programs on wind, full limits must be met unless the additional wind limit (which still gets the insured to full limit) upon renewal is considered “modest” or flat.

At Amwins we understand that both unique solutions and exclusive capacity are of the upmost importance in this transitioning market. Collaboration is a core tenet of our business, and we live it through our strategic partnerships with leading insurance carriers. No matter the coverage requirements, our top priority is helping you secure the solutions that best serve the needs of your clients.

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