

Tab 1	SB 54 by Burgess (CO-INTRODUCERS) Rouson; (Compare to H 00273) Motor Vehicle Insurance						
799160	A	S	RCS	BI, Passidomo	Delete L.1677 - 1949:	01/26	05:14 PM
143978	A	S	WD	BI, Thurston	Delete L.1677 - 1949.	01/26	05:14 PM

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

BANKING AND INSURANCE
Senator Boyd, Chair
Senator Broxson, Vice Chair

MEETING DATE: Tuesday, January 26, 2021
TIME: 3:30—6:00 p.m.
PLACE: *Pat Thomas Committee Room, 412 Knott Building*

MEMBERS: Senator Boyd, Chair; Senator Broxson, Vice Chair; Senators Brandes, Burgess, Gruters, Passidomo, Rodrigues, Rouson, Stargel, Stewart, Taddeo, and Thurston

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
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PUBLIC TESTIMONY WILL BE RECEIVED FROM ROOM A3 AT THE DONALD L. TUCKER CIVIC CENTER, 505 W PENSACOLA STREET, TALLAHASSEE, FL 32301

1	SB 54 Burgess (Compare H 273, S 420)	Motor Vehicle Insurance; Repealing provisions which comprise the Florida Motor Vehicle No-Fault Law; revising the motor vehicle insurance coverages that an applicant must show to register certain vehicles with the Department of Highway Safety and Motor Vehicles; revising financial responsibility requirements for owners or lessees of for-hire passenger transportation vehicles; revising conditions for awarding punitive damages; revising coverages subject to premium discounts for specified motor vehicle equipment; specifying persons whom medical payments coverage must protect, etc. BI 01/26/2021 Fav/CS JU RC	Fav/CS Yeas 10 Nays 2
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Other Related Meeting Documents

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: CS/SB 54

INTRODUCER: Banking and Insurance Committee and Senators Burgess and Rouson

SUBJECT: Motor Vehicle Insurance

DATE: January 27, 2021

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Knudson	Knudson	BI	Fav/CS
2.			JU	
3.			RC	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

SB 54 repeals the Florida Motor Vehicle No-Fault Law (No-Fault Law), which requires every owner and registrant of a motor vehicle in this state to maintain Personal Injury Protection (PIP) coverage. Beginning January 1, 2022, the bill enacts financial responsibility requirements for liability for motor vehicle ownership or operation, as follows:

- For bodily injury (BI) or death of one person in any one crash, \$25,000, and
- Subject to that limit for one person, \$50,000 for BI or death of two or more people in any one crash.

The bill retains the existing \$10,000 financial responsibility requirement for property damage (PD).

The bill increases required coverage amounts for garage liability and commercial motor vehicle insurance. It increases the cash deposit amount required for a certificate of self-insurance establishing financial responsibility for owners and operators of motor vehicles that are not for-hire vehicles.

The bill requires insurers to offer medical payments coverage (MedPay) with limits of \$5,000 or \$10,000 to cover medical expenses of the insured. Insurers may also offer other policy limits that exceed \$5,000. Insurers must offer a zero deductible option for MedPay, and may also offer deductibles of up to \$500. Insurers must reserve \$5,000 of MedPay benefits for 30 days to pay

physicians or dentists who provide emergency services and care or who provide hospital inpatient care.

The repeal of the No-Fault Law eliminates the limitations on recovering pain and suffering damages from PIP insureds, which currently require bodily injury that causes death or significant and permanent injury. Under the bill, the legal liability of an uninsured motorist insurer includes damages in tort for pain, suffering, disability or physical impairment, disfigurement, mental anguish, inconvenience, and the loss of past and future capacity for the enjoyment of life.

The bill creates a new framework to govern all third-party claims against motor vehicle insurers for bad faith failure to settle. The bill requires the third-party claimant in a bad faith failure to settle action to show the insurer violated its duty of good faith to the insured and in bad faith failed to settle the claim. The bill requires motor vehicle insurers to follow claims handling best practices standards based on long-established good faith duties related to claim handling, claim investigation, defense of the insured, and settlement negotiations.

The bill establishes that it is a condition precedent to bringing a third-party action for bad faith failure to settle that the claimant serve a detailed demand for settlement within the insured's policy limits. The third-party bad faith claimant may condition the demand for settlement on taking a 2 hour examination under oath (EUO) of the insured, limited to discovering possible sources of recovery. The claimant may withdraw the demand for settlement after the EUO. If the insured refuses to submit to the EUO, the insurer may tender policy limits without obtaining a release of the insured, and if the insurer does so, it no longer has a duty to defend the insured and may not be held liable if there is an excess judgment against the insured. The bill provides a safe harbor to the insurer in a third-party bad faith failure to settle action providing that an insurer is not liable for bad faith if it tenders (offers to pay) policy limits in exchange for a release of its insured from further liability within 30 days of receiving a demand for settlement.

The bill requires the trier of fact, when determining if an insurer in bad faith failed to settle, to consider certain actions of the insurer such as compliance with best practices along with certain actions of the insured and claimant. The bill also prohibits punitive damages in a third-party bad faith failure to settle action.

The bill provides that if a motor vehicle insurer fails to timely provide information related to liability insurance coverage as required by s. 627.4137, F.S., the claimant may file an action to enforce the section and is entitled to an award of reasonable attorney fees and costs to be paid by the insurer.

The bill authorizes the exclusion of a specifically named individual from specified insurance coverages under a private passenger motor vehicle policy, with the written consent of the policyholder.

II. Present Situation:

Motor Vehicle Insurance

The first recorded motor vehicle accident occurred in Ohio City, Ohio in 1891.¹ Only 6 years later, the first automobile liability insurance policy would be issued by Travelers Insurance Company in Dayton, Ohio, protecting the driver if his vehicle killed or injured someone or damaged their property.² These coverages today are provided through bodily injury liability and property damage liability insurance. In 1925 Connecticut passed the first financial responsibility law requiring owners of automobiles to demonstrate the ability to financially respond when they are at fault for damages caused to other persons and property. As the automobile became an ubiquitous part of American life, more states passed financial responsibility laws. Today, every state has a financial responsibility law regarding owning or operating a motor vehicle.

All states except New Hampshire require the purchase of property damage coverage, which pays for any damage the insured causes to the property of others.³ Every state except Florida and New Hampshire requires bodily injury liability coverage (BI), which covers an insured that is at-fault in an accident for damages related to the bodily injuries of others negligently caused by the insured.⁴ Bodily injury liability coverage does not provide coverage for an insured's own injuries. The most common minimum mandatory limit of bodily injury coverage – mandated by 34 states – is \$25,000 in coverage for injuries to any one person and \$50,000 in coverage for injuries to multiple persons, subject to the \$25,000 limit for one person. This is often referred to as limits of \$25,000/\$50,000. Of the 48 states that require BI coverage, the lowest mandatory limit is \$15,000/\$30,000. The highest required limit is \$50,000/\$100,000. The following table details the financial responsibility insurance coverage requirements by state:

¹ https://ohiohistorycentral.org/w/World%27s_First_Automobile_Accident

² https://ohiohistorycentral.org/w/World's_First_Automobile_Insurance_Policy?rec=2597.

³ National Association of Insurance Commissioners, Overview – Auto Insurance https://content.naic.org/article/consumer_insight_does_your_vehicle_have_right_protection_best_practices_buying_auto_insurance.htm (last accessed January 26, 2021).

⁴ *See id.*

FINANCIAL RESPONSIBILITY REQUIREMENTS BY STATE

ST	Minimum Limits (thousands)	ST	Minimum Limits (thousands)
AL	BI 25/50 PD 25	MT	BI 25/50 PD 20
AK	BI 50/100 PD 25	NE	BI 25/50 PD 25 UM 25/50
AZ	BI 25/50 PD 15	NV	BI 25/50 PD 20
AR	BI 25/50 PD 25	NH	Financial Responsibility Only ⁵
CA	BI 15/30 PD 5	NJ	BI ⁶ 15/30 PD 5 PIP ⁷ 15
CO	BI 25/50 PD15	NM	BI 25/50 PD 10
CT	BI 25/50 PD 25 UM 25/50	NY	BI ⁸ 25/50 PD 10 PIP 50
DE	BI 25/50 PD 10 PIP 15/30	NC	BI 30/60 PD 25 UM 30/60/25
FL	PIP 10 PD 10	ND	BI 25/50 PD 25 UM 25/50 PIP 30
GA	BI 25/50 PD 25	OH	BI 25/50 PD 25
HI	BI 20/40 PD 10 PIP 10	OK	BI 25/50 PD 25
ID	BI 25/50 PD 15	OR	BI 25/50 PD 20 UM 25/50 PIP 15
IL	BI 25/50 PD 20 UM 25/50	PA	BI 15/30 PD 5 Med 5
IN	BI 25/50 PD 25	RI	BI 25/50 PD 25
IA	BI 20/40 PD 15	SC	BI 25/50 PD 25 UM 25/50/25
KS	BI 25/50 PD 25 PIP ⁹	SD	BI 25/50 PD 25 UM 25/50
KY	BI 25/50 PD 25	TN	BI 25/50 PD 15
LA	BI 15/30 PD 25	TX	BI 30/60 PD 25
ME	BI 50/100 PD 25 Med 2 UM 50/100	UT	BI 25/65 PD 15 PIP 3
MD	BI 30/60 PD 15 UM 30/60/15	VT	BI 25/50 PD 10 UM 50/100/10
MA	BI 20/40 PD 5 UM 20/40 PIP 8	VA	BI 25/50 PD 20 UM 25/50/20
MI	BI 20/40 PD 10 PIP ¹⁰ PPI 1000	WA	BI 25/50 PD 10
MN	BI 30/60 PD 10 PIP 40 UM 25/50	WV	BI 25/50 PD 25 UM 25/50/25
MS	BI 25/50 PD 25	WI	BI 25/50 PD 10 UM 25/50
MO	BI 25/50 PD 20 UM 25/50	WY	BI 25/50 PD 20

⁵ New Hampshire does not require the purchase of insurance to meet the state's financial responsibility law, but drivers that purchase insurance must do so at minimum limits of \$25,000/\$50,000 for BI, \$25,000 for PD, and \$1,000 for medical payments coverage.

⁶ New Jersey allows drivers to purchase a "basic policy" that only includes \$5,000 of PD, \$15,000 of PIP, and an optional \$10,000 for BI.

⁷ The New Jersey PIP benefit provides \$250,000 in benefits for specified severe injuries.

https://www.state.nj.us/dobi/division_consumers/insurance/basicpolicy.shtml (last accessed January 25, 2021).

⁸ New York requires that BI limits be at least \$50,000/\$100,000 for death. <https://dmv.ny.gov/insurance/insurance-requirements> (last accessed January 25, 2021).

⁹ Kansas PIP coverage must provide \$4,500 per person for medical expenses, \$900 per month for one year for disability or loss of income, \$25 per day for in-home services, \$2,000 for funeral expenses, \$4,500 for rehabilitation expenses, survivor benefits for loss of income up to \$900 per month for 1 year.

¹⁰ Michigan changed its mandatory PIP medical coverage effective July 1, 2020. Previously, Michigan required PIP coverage with no maximum limit. Now, Michigan requires the purchase of PIP coverage with a coverage limit of at least \$250,000. However, Medicaid enrollees may purchase only \$50,000 in PIP coverage if other household members have an auto insurance policy or health insurance covering accidents. A Medicare enrollee (parts A and B) may opt-out of PIP if their household members have an auto insurance policy or health insurance covering auto accidents.

https://www.michigan.gov/documents/autoinsurance/MI_New_Auto_Ins_Law_678454_7.pdf (last accessed Jan. 25, 2021).

Florida's Financial Responsibility Law

Florida's financial responsibility law exists to ensure that the privilege of owning or operating a motor vehicle on the public streets and highways is exercised with due consideration for others and their property, to promote safety, and to provide financial security requirements for the owners or operators of motor vehicles who are responsible to recompense others for injury to person or property caused by a motor vehicle.¹¹ The financial responsibility law requires drivers of motor vehicles with 4 or more wheels to purchase both personal injury protection (PIP) and property damage liability (PD) insurance.¹² Florida law does not require insurance coverage for motorcycles; however, if a motorcyclist is involved in an accident, that person's license and registration are subject to suspension if insurance was not purchased.

A driver in compliance with the requirement to carry PIP coverage is not required to maintain bodily injury liability coverage, except that Florida law requires proof of ability to pay monetary damages for bodily injury and property damage liability arising out of a motor vehicle accident or serious traffic violation.¹³ The owner and operator of a motor vehicle need not demonstrate financial responsibility, i.e., obtain BI and PD coverages, until *after the accident*.¹⁴ At that time, a driver's financial responsibility is proved by the furnishing of an active motor vehicle liability policy. The minimum amounts of liability coverages required are \$10,000 in the event of bodily injury to, or death of, one person, \$20,000 in the event of injury to, or death of, two or more persons, and \$10,000 in the event of damage to property of others, or \$30,000 combined BI/PD policy.¹⁵ The driver's license and registration of the driver who fails to comply with the security requirement to maintain PIP and PD insurance coverage is subject to suspension.¹⁶ A driver's license and registration may be reinstated by obtaining a liability policy and by paying a fee to the Department of Highway Safety and Motor Vehicles.¹⁷

Personal injury protection (PIP) insurance compensates insureds injured in accidents regardless of fault.¹⁸ Policyholders are indemnified by their own insurer. The intent of no-fault insurance is to provide prompt medical treatment without regard to fault.¹⁹ This coverage also provides policyholders with immunity from liability for economic damages up to the policy limits and limits tort suits for non-economic damages (pain and suffering) below a specified injury threshold.²⁰ In contrast, under a tort liability system, the negligent party is responsible for damages caused and an accident victim can sue the at-fault driver to recover economic and non-economic damages. The concept of PIP insurance was developed during the 1960's in response to concerns that began to be voiced regarding some of the perceived shortcomings of the tort system, in particular its ability to handle automobile accident claims in an accurate and

¹¹ Section 324.011, F.S.

¹² See ss. 324.022, F.S. and 627.733, F.S.

¹³ See ch. 324, F.S.

¹⁴ Section 324.011, F.S.

¹⁵ Section 324.022, F.S.

¹⁶ Section 324.0221(2), F.S.

¹⁷ Section 324.0221(3), F.S.

¹⁸ Section 627.733, F.S.

¹⁹ See s. 627.731, F.S.

²⁰ Section 627.737, F.S.

expeditious fashion.²¹ The proposed solution was the “no-fault” system in which each driver insures him or herself for bodily injuries caused by an auto accident, and to the extent of that first-party coverage, tort claims based on fault would be abandoned. Florida is one of 12 no-fault states that requires PIP coverage as part of its financial responsibility law, but the only one of those states that does not also require BI coverage.²²

In Florida, personal injury protection must provide a minimum benefit of \$10,000 for bodily injury to any one person who sustains an emergency medical condition, which is reduced to a \$2,500 limit for medical benefits if a treating medical provider does not determine an emergency medical condition existed.²³ PIP coverage provides reimbursement for 80 percent of reasonable medical expenses,²⁴ 60 percent of loss of income,²⁵ and 100 percent of replacement services,²⁶ for bodily injury sustained in a motor vehicle accident, without regard to fault. The property damage liability coverage must provide a \$10,000 minimum benefit. A \$5,000 death benefit is also provided.²⁷

PIP Medical Benefits

The 2012 Legislature revised the provision of PIP medical benefits under the No-Fault Law, effective January 1, 2013.²⁸ To receive PIP medical benefits, insureds must receive initial services and care within 14 days after the motor vehicle accident.²⁹ Initial services and care are only reimbursable if lawfully provided, supervised, ordered or prescribed by a licensed physician, licensed osteopathic physician, licensed chiropractic physician, licensed dentist, or must be rendered in a hospital, a facility that owns or is owned by a hospital, or a licensed emergency transportation and treatment provider.³⁰ Follow-up services and care require a referral from such providers and must be consistent with the underlying medical diagnosis rendered when the individual received initial services and care.³¹

PIP medical benefits have two different coverage limits, based upon the severity of the medical condition of the individual. An insured may receive up to \$10,000 in medical benefits for services and care if a physician, osteopathic physician, dentist, physician’s assistant or advanced registered nurse practitioner has determined that the injured person had an emergency medical condition.³² An emergency medical condition is defined as a medical condition manifesting itself by acute symptoms of sufficient severity that the absence of immediate medical attention could reasonably be expected to result in serious jeopardy to patient health, serious impairment to

²¹ Florida Senate Banking and Insurance Committee, Florida’s Motor Vehicle No-Fault Law, pg. 6, Report No. 2006-102 (Nov. 2005).

²² Insurance Information Institute, Background on: No-Fault Auto Insurance. <https://www.iii.org/article/background-on-no-fault-auto-insurance> (last accessed January 27, 2021).

²³ Section 627.736(1), F.S.

²⁴ Section 627.736(1)(a), F.S.

²⁵ Section 627.736(1)(b), F.S.

²⁶ *Id.*

²⁷ Section 627.736(1)(c), F.S.

²⁸ Chapter 2012-197, L.O.F. (CS/CS/HB 119).

²⁹ Section 627.736(1)(a), F.S.

³⁰ Section 627.736(1)(a)1., F.S.

³¹ Section 627.736(1)(a)2., F.S.

³² Section 627.736(1)(a)3., F.S.

bodily functions, or serious dysfunction of a body organ or part.³³ If a provider who rendered treatment or services does not determine that the insured had an emergency medical condition, the PIP medical benefit limit is \$2,500.³⁴ Massage and acupuncture are not reimbursable, regardless of the type of provider rendering such services.³⁵

The \$5,000 PIP death benefit is provided in addition to medical and disability benefits, effective January 1, 2013. Previously, the death benefit was the lesser of the unused PIP benefits, up to a limit of \$5,000.

Tort-Based Motor Vehicle Insurance Jurisdictions

In a tort-based liability system, auto injury claimants seek payment from the at-fault driver for both economic and non-economic damages from dollar one. A tort-based system represents a more traditional legal philosophy of holding persons responsible for injuries caused by their negligent operation of a vehicle. In theory, this encourages safer operation of automobiles and is generally viewed by the public as consistent with the concept of personal responsibility.

Bad Faith

Common Law and Statutory Bad Faith

Bad faith law was designed to protect insureds who have paid their premiums and who have fulfilled their contractual obligations by cooperating fully with their insurer in the resolution of claims. Bad faith jurisprudence holds insurers accountable for failing to fulfill their obligations.³⁶ There are two distinct but very similar types of bad faith causes of action that may be initiated against an insurer: first-party and third-party.

Florida courts have recognized common law third-party bad faith causes of action since 1938.³⁷ A third-party bad faith cause of action arises when an insurer fails in good faith to settle a third party's claim against the insured within policy limits and exposes the insured to liability in excess of his or her insurance coverage.³⁸ Third-party bad faith causes of actions arose in response to the argument that there was a practice in the insurance industry of rejecting without sufficient investigation or consideration claims presented by third parties against an insured, thereby exposing the insured individual to judgments exceeding the coverage limits of the policy while the insurer remained protected by a policy limit.³⁹ With no actionable remedy, insureds in this state and elsewhere were left personally responsible for the excess judgment amount.⁴⁰ Florida courts recognized common law third-party bad faith causes of action in part because the

³³ Section 627.732(16), F.S.

³⁴ Section 627.736(1)(a)4., F.S.

³⁵ Section 627.736(1)(a)5., F.S.

³⁶ *Harvey v. GEICO General Insurance Company*, 251 So.3d 1, 6, (Fla. 2018)(quoting *Berges v. Infinity Insurance Company*, 896 So.2d 665 at 682).

³⁷ *Auto Mut. Indem. Co. v. Shaw*, 184, So. 852 (Fla. 1938).

³⁸ *Opperman v. Nationwide Mutual Fire Insurance Company*, 515 So.2d 263, 265 (Fla. 5th DCA 1987).

³⁹ *Allstate Indem. Co. v. Ruiz*, 899 So.2d 1121, 1125 (Fla. 2005).

⁴⁰ *Id.*

insurers had the power and authority to litigate or settle any claim, and thus owed the insured a corresponding duty of good faith and fair dealing in handling these third-party claims.⁴¹

In contrast to common law third-party bad faith causes of action, Florida courts do not recognize a common law first-party bad faith cause of action by the insured against its own insurer.⁴² If an insurer acts in bad faith in settling a claim filed by its insured, the only common law remedy available to the insured is a breach of contract action against its own insurer with recoverable damages limited to those contemplated by the parties to the policy.⁴³

The 1982 Legislature's enactment of s. 624.155, F.S., created a statutory first-party bad faith cause of action,⁴⁴ codified Florida Supreme Court precedent authorizing a common-law third-party bad faith cause of action,⁴⁵ and eliminated the distinction between statutory first- and third-party bad faith causes of action.⁴⁶

Section 624.155, F.S., provides that any party may bring a bad faith action against an insurer, and defines bad faith on the part of the insurer as:

- Not attempting in good faith to settle claims when, under all the circumstances, it could and should have done so, had it acted fairly and honestly toward its insured with due regard for her or his interests;
- Making claims payments to insureds or beneficiaries not accompanied by a statement setting forth the coverage under which payments are being made; or
- Except as to liability coverages, failing to promptly settle claims, when the obligation to settle the claim has become reasonably clear, under one portion of the insurance policy coverage in order to influence settlements under other portions of the insurance policy coverage.⁴⁷

Civil Remedy Notice

As a condition precedent to bringing a bad faith action under s. 624.155, F.S., the insured must have provided the insurer and the Department of Financial Services at least 60 days written notice of the alleged violation.⁴⁸ The notice must specify the following information:

- The statutory provision, including the specific language of the statute, which the authorized insurer allegedly violated;
- The facts and circumstance giving rise to the violation;
- The name of any individual involved in the violation;
- A reference to specific policy language that is relevant to the violation, if any. If the person bringing the civil action is a third-party claimant, she or he shall not be required to reference

⁴¹ *Id.*

⁴² *State Farm Mut. Auto. Ins. Co. v. Laforet*, 658 So.2d 55, 58-59 (Fla. 1995).

⁴³ *Talat Enterprises, Inc. v. Aetna Cas. and Sur. Co.*, 753 So.2d 1278, 1281 (Fla. 2000).

⁴⁴ Chapter 82-243, s. 9, L.O.F.

⁴⁵ *Macola v. Government Employees Ins. Co.*, 953 So.2d 451, 456 (Fla. 2006). *See also State Farm Fire & Cas. Co. v. Zebrowski*, 706 So.2d 275, 277 (Fla. 1997).

⁴⁶ *Id.*

⁴⁷ Section 624.155(1)(b)(1)-(3), F.S.

⁴⁸ Section 624.155(3), F.S.

the specific policy language if the authorized insurer has not provided a copy of the policy to the third party claimant pursuant to written request; and

- A statement that the notice is given in order to perfect the right to pursue the civil remedy authorized under s. 624.155, F.S.⁴⁹

The 60-day window contemplated under s. 624.155, F.S., provides insurers with a final opportunity to comply with their claim-handling obligations when a good-faith decision by the insurer would indicate that contractual benefits are owed.⁵⁰ If the insurer in turn fails to respond to a civil remedy notice within the 60-day window, there is presumption of bad faith sufficient to shift the burden to the insurer to show why it did not respond.⁵¹

In *Talat Enterprises, Inc. v. Aetna Cas. and Sur. Co.*, the Florida Supreme Court addressed the question of whether an insurer that paid all contractual damages within the 60-day window, but none of the extra-contractual damages, satisfied the requirement for payment of damages under s. 624.155(3)(c), F.S., thereby precluding the claimant's bad faith action. The Florida Supreme Court answered in the affirmative, explaining:

Section 624.155 does not impose on an insurer the obligation to pay whatever the insured demands. The 60-day window is designed to be a cure period that will encourage payment of the underlying claim, and avoid unnecessary bad faith litigation. Surely an insurer need not immediately pay 100percent of the damages claimed to flow from bad faith conduct in order to avoid the chance that the insured will succeed on a bad faith cause of action. If the insurer may avoid a bad faith action only by paying in advance every penny of the damages that it faces if it loses at trial, the insurer would have no reason to pay.⁵²

Legal Standard of Proof

Each bad faith case is determined on its own facts and ordinarily the question of failure to act in good faith with due regard for the interests of the insured is for the jury.⁵³ In Florida, the question of whether an insurer has acted in bad faith in handling claims against the insured is determined under a "totality of the circumstances" standard.⁵⁴ In *Harvey v. Geico General Insurance Company*, the Florida Supreme Court explained that the critical inquiry in a bad faith case is whether "the insurer diligently, and with the same haste and precision as if it were in the insured's shoes, worked on the insured's behalf to avoid an excess judgment."⁵⁵ The claimant bringing the bad faith action has the burden of proving the insurer acted in bad faith by a preponderance of the evidence.⁵⁶

The Florida Supreme Court in *Boston Old Colony Ins. v. Gutierrez* explained why insurers have a duty of good faith to their insured:

⁴⁹ Section 624.155(3)(b)(1)-(5), F.S.

⁵⁰ See *Talat Enterprises, Inc.*, 753 So.2d at 1284.

⁵¹ *Fridman v. Safeco Ins. Co. of Illinois*, 185 So.3d 1214, 1220, (Fla. 2016); *Imhof v. Nationwide Mut. Ins. Co.*, 643 So.2d 617, 619 (Fla 1994).

⁵² See *Talat Enterprises, Inc.*, 753 So.2d at 1282. (quoting *Talat Enterprises, Inc. v. Aetna Cas. & Sur. Co.*, 952 F.Supp. 773, 778 (M.D.Fla.1996)).

⁵³ *Boston Old Colony Insurance Company v. Gutierrez*, 386 So.2d 783, 785 (Fla. 1980).

⁵⁴ *Berges v. Infinity Insurance Company*, 896 So.2d 665, 680 (Fla. 2005).

⁵⁵ See *Harvey*, 259 So.3d at 7.

⁵⁶ *Cadle v. GEICO General Insurance Company*, 838 F.3d 1113, 1119 (11th Cir. 2016).

An insurer, in handling the defense of claims against its insured, has a duty to use the same degree of care and diligence as a person of ordinary care and prudence should exercise in the management of his own business. For when the insured has surrendered to the insurer all control over the handling of the claim, including all decisions with regard to litigation and settlement, then the insurer must assume a duty to exercise such control and make such decisions in good faith and with due regard for the interests of the insured.⁵⁷ (citations omitted)

The court further explained what constitutes good faith claims handling:

This good faith duty obligates the insurer to advise the insured of settlement opportunities, to advise as to the probable outcome of the litigation, to warn of the possibility of an excess judgment, and to advise the insured of any steps he might take to avoid same. The insurer must investigate the facts, give fair consideration to a settlement offer that is not unreasonable under the facts, and settle, if possible, where a reasonably prudent person, faced with the prospect of paying the total recovery, would do so. (citations omitted)

III. Effect of Proposed Changes:

Repeal of the Florida Motor Vehicle No-Fault Law

Section 1 repeals ss. 627.730-627.7405, F.S., which constitute the Florida Motor Vehicle No-Fault Law.

The most significant provisions repealed are s. 627.733, F.S., which contains the requirement to maintain PIP coverage, s. 627.736, F.S., which sets forth the benefits that PIP coverage must provide, and the tort exemption in s. 627.737, F.S., which prohibits tort actions to recover pain and suffering damages from PIP insureds unless death or significant and permanent injury causes such damages, and coverage for disability and death benefits under PIP.

Section 2 repeals s. 627.7407, F.S., which explained how the Florida Motor Vehicle No-Fault Law was to be applied after being reinstated by ch. 2007-324, Laws of Florida.

Mandatory Bodily Injury Liability Coverage Requirements

Chapter 324, F.S., requires the owners and operators of motor vehicles to demonstrate the ability to respond to damages for liability because of crashes arising out of the use of a motor vehicle.⁵⁸ This requirement is usually met through the purchase of motor vehicle insurance.

Sections 12 and 13 amend ss. 324.021 and 324.022, F.S., respectively, to require beginning January 1, 2022, that every owner or operator of a motor vehicle that is registered in this state maintains the ability to respond to damages for liability that results from accidents arising out of

⁵⁷ *Boston Old Colony Ins. v. Gutierrez*, 386 So.2d 783 (Fla. 1980).

⁵⁸ Owners and operators of motor vehicles may satisfy financial responsibility requirements by alternate means, such as depositing security with the Department of Highway Safety and Motor Vehicles pursuant to s. 324.161, F.S., or qualifying as a self-insurer pursuant to s. 324.171, F.S.

the ownership, maintenance, or use of a motor vehicle that is not a commercial motor vehicle, nonpublic sector bus, or for-hire passenger transportation vehicle as follows:

- For BI or death of one person in any one crash, \$25,000.
- Subject to that limit for one person, \$50,000 for BI or death of two or more people in any one crash.

The bill retains current law that requires drivers to maintain the ability to respond to damages of \$10,000 for damage to, or the destruction of, other's property in a crash.

An owner or operator may meet the financial responsibility requirement obtaining through motor vehicle insurance that provides BI and PD coverage in at least the minimum amounts required to meet responsibility, or through insurance that provides BI and PD with a combined single coverage limit that equals the BI requirement for more than one person plus the PD requirement. Beginning January 1, 2022, the minimum combined single limit will be \$60,000. An owner or operator may also meet financial responsibility requirements through alternate methods authorized under s. 324.031, F.S., such as furnishing a certificate of self-insurance under s. 324.161, F.S., or s. 324.171, F.S.

Other vehicle types are subject to financial responsibility requirements of different sections of statute:

- Commercial motor vehicles are subject to s. 627.7415, F.S.
- Nonpublic sector buses are subject to s. 627.742, F.S.
- For-hire passenger transportation vehicles are subject to s. 324.032, F.S.

Motorcycles are not required to meet the foregoing requirements established by the bill, as the bill retains current law in s. 324.022, F.S., that defines motor vehicles for purposes of that section as self-propelled vehicles with four or more wheels. However, as under current law, if a motorcycle is involved in a crash and caused bodily injury to another, the license of the operator and registration of the motorcycle is subject to suspension under s. 324.051, F.S., if the operator or owner does not have a motor vehicle liability policy in effect at the time of the crash.

Required Provisions in Motor Vehicle Liability Policies

Section 22 amends s. 324.151, F.S., which requires motor vehicle liability insurance policies that serve as proof of financial responsibility under s. 324.031(a), F.S. The bill requires policies issued to the owner of a motor vehicle that is required to be registered in this state to insure all named insureds, except for a named driver excluded pursuant to new s. 727.747, F.S., discussed below; and to also insure:

- Any resident relative⁵⁹ of a named insured, and
- Any operator using the vehicle with the permission of the owner of the vehicle insured by the policy from liability resulting from the use of the motor vehicle referenced in the policy.

The bill authorizes an insurer to include provisions in its policy excluding coverage for a motor vehicle not designated as an insured vehicle on the policy if such motor vehicle does not qualify

⁵⁹ Defined in this section to mean "a person related to a named insured by any degree by blood, marriage, or adoption, including a ward or foster child, who usually makes his or her home in the same family unit or residence as the named insured, whether or not he or she temporarily lives elsewhere."

as a newly acquired vehicle,⁶⁰ does not qualify as a temporary substitute vehicle,⁶¹ and was owned by the insured or furnished for an insured's regular use for more than 30 consecutive days before an event giving rise to a claim.

A motor vehicle liability insurance policy issued to a person who does not own a motor vehicle must insure the named insureds against liability for damages arising out of the use of any motor vehicle not owned by the named insureds.

All motor vehicle liability policies providing coverage for accidents occurring within the United States or Canada must provide liability coverage with the minimum limits of \$25,000 for BI or death of one person in any one crash; \$50,000 for BI or death of two or more people in any one crash; and \$10,000 for PD.

Section 46 amends s. 627.7275, F.S., to require all motor vehicle insurance policies delivered or issued in Florida for a motor vehicle registered or principally garaged in this state to include the minimum limits of BI liability coverage and PD liability coverage as required by s. 324.022, F.S.

Motor vehicle insurance under policies made available to applicants seeking reinstatement of the applicant's driving privileges after such privileges were revoked or suspended for driving under the influence must provide coverage of at least the minimum limits of BI and PD liability coverage under s. 324.021(7), F.S.,⁶² or s. 324.023,⁶³ F.S. These sections require drivers who plead guilty or nolo contendere to a charge of driving under the influence to meet additional liability insurance requirements.

Meeting Financial Responsibility through a Certificate of Self-Insurance

Section 17 amends s. 324.031, F.S., which allows owners and operators of motor vehicles that are not for-hire vehicles to prove financial responsibility by providing evidence of holding a motor vehicle liability policy covering the motor vehicle being operated. Two alternatives are also available under the statute. Such persons may prove financial responsibility by furnishing a certificate of self-insurance that shows a deposit of cash with a financial institution, or furnishing a certificate of self-insurance issued by the DHSMV based on demonstrating sufficient net unencumbered worth.

Under the bill, a person furnishing a certificate of self-insurance showing a deposit of cash must, beginning January 1, 2022, furnish a certificate of deposit equal to the number of vehicles owned times \$60,000, to a maximum of \$240,000. Current law requires a deposit equal to the number of vehicles times \$30,000, to a maximum of \$120,000. All persons using this method must maintain insurance coverage with limits of at least \$125,000/\$250,000/\$50,000 BI/PD or a \$300,000 BI/PD combined single limit. Under current law, this coverage must be maintained as an excess

⁶⁰ Defined in this section to mean "a vehicle owned by a named insured or resident relative of the named insured which was acquired within 30 days before an accident."

⁶¹ Defined in this section to mean "any motor vehicle, as defined in s. 320.01(1), F.S., which is not owned by the named insured and which is temporarily used with the permission of the owner as a substitute for the owned motor vehicle designated on the policy when the owned vehicle is withdrawn from normal use because of breakdown, repair, servicing, loss, or destruction."

⁶² \$25,000/\$50,000 for BI or death and \$10,000 for PD.

⁶³ \$100,000/\$300,000 for BI or death and \$50,000 for PD.

coverage in excess of \$10,000/\$20,000/\$10,000 BI/PD or \$30,000 combined single limits. Under **Section 23** of the bill amending s. 324.161, F.S., the proof of a certificate of deposit must be provided annually, and must be from a financial institution insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

The second alternative method is obtaining a certificate of self-insurance issued by the DHSMV. **Section 24** amends s. 324.171, F.S., effective January 1, 2022, to provide that a certificate of self-insurance from the DHSMV issued pursuant to this section may be obtained by a private individual with private passenger vehicles by demonstrating sufficient net unencumbered worth of at least \$100,000. Current law requires a net unencumbered worth of at least \$40,000. A person, other than a natural person, may obtain a certificate of self-insurance from the DHSMV by possessing a net unencumbered worth of at least \$100,000 for the first motor vehicle and \$50,000 for each additional vehicle. Current law requires a net unencumbered worth of \$40,000 for the first motor vehicle and \$20,000 for each additional motor vehicle. The bill retains current law that authorizes the DHSMV to promulgate by rule an alternative net worth requirement for persons other than natural persons.

Garage Liability Insurance Requirement

Section 7 amends s. 320.27, F.S., which requires the licensure of motor vehicle dealers. The bill defines “garage liability insurance” to mean, beginning January 1, 2022, combined single-limit liability coverage, including PD and BI liability coverage, of at least \$60,000.

Current law only requires at least \$25,000 in such coverage and requires \$10,000 of PIP coverage.

Section 8 amends s. 320.771, F.S., and applies the garage liability insurance requirement of s. 320.27, F.S., to recreational vehicle dealers.

Financial Responsibility Requirement for For-Hire Vehicles

Section 18 amends s. 324.032, F.S., which provides the financial responsibility requirements for for-hire passenger vehicles. The bill retains current law requiring the owner or lessee to meet the financial responsibility requirement and retains the minimum limits of coverage, which are \$125,000/\$250,000 of BI and \$50,000 of PD. The bill amends current law by specifying the coverage must be purchased by an insurer that is a member of the Florida Insurance Guaranty Association.

Commercial Motor Vehicle Coverage Requirements

Section 50 amends s. 627.7415, F.S., to increase the minimum levels of combined BI liability and PD liability coverage that commercial motor vehicles must have.

Beginning January 1, 2022, a commercial motor vehicle that weighs 26,000 pounds or more but less than 35,000 pounds must have coverage of no less than \$60,000. Current law requires \$50,000 of coverage.

A commercial motor vehicle that weighs 35,000 pounds or more but less than 44,000 pounds must have coverage of no less than \$120,000 per occurrence beginning January 1, 2022. Current law requires \$100,000 of coverage.

The bill retains current law that a commercial motor vehicle weighing 44,000 pounds or more must have coverage of no less than \$300,000 per occurrence.

Medical Payments Coverage Benefits

Section 44 creates s. 627.7265, F.S., which requires insurers to offer medical payments coverage with limits of \$5,000 and \$10,000 before issuing a motor vehicle liability insurance policy used to meet the financial responsibility requirements of s. 324.031, F.S. Medical payments coverage must be offered with no deductible, but insurers may also offer such coverage with a deductible of up to \$500. Insurers may also offer medical payments coverage with any policy limit greater than \$5,000.

Medical payments coverage must provide coverage of at least \$5,000 for medical expense incurred due to bodily injury, sickness, or disease arising out of the ownership, maintenance, or use of a motor vehicle. Medical payments coverage must pay for reasonable expenses for necessary medical, diagnostic, and rehabilitative services lawfully provided, supervised, ordered, or prescribed by licensed physicians, dentists, or chiropractic physicians, or that are provided in a hospital or in a facility that owns, or is wholly owned by, a hospital. The coverage also includes a death benefit of at least \$5,000. Medical payments coverage protects the named insured, resident relatives, all passengers and operators of the insured vehicle, and all persons struck by the motor vehicle while not occupying a self-propelled motor vehicle.

Upon receiving notice of an accident potentially covered by medical payments coverage benefits, the insurer must reserve \$5,000 for payment to licensed physicians and licensed dentists who provide emergency services and care or who provide hospital indigent care. The reserve amount may be used only to pay claims from such physicians or dentists until 30 days after the date the insurer receives notice of the accident. After the 30-day period, any amount of the reserve for which the insurer has not received notice may be used by the insurer to pay other claims.

An insurer providing medical payments coverage benefits may not:

- Seek a lien on any recovery in tort by judgment, settlement, or otherwise for medical payments coverage benefits, whether suit has been filed or settlement has been reached; or
- Bring a cause of action against a person to whom or for whom medical payments coverage benefits were paid, except when benefits are paid by reason of fraud by such person.

The bill authorizes an insurer providing medical payments coverage to include provisions in its policy allowing for subrogation⁶⁴ for payment of medical payments coverage benefits if the payments resulted from the wrongful act or omission of another who is not also insured under the policy paying the benefits. However, the bill makes this subrogation right inferior to the rights of

⁶⁴ Subrogation is the principle establishing that when an insurance company pays an insured's claim of loss caused by a third party's negligence, the insurance company stands in the place of the insured with respect to the insured's right to sue the negligent third party for damages.

the injured insured and available only after all of the insured's damages are recovered and the insured is made whole.⁶⁵

Under the bill, if an insured obtains a recovery from a third party of the full amount of the damages the insured has sustained, and delivers a release or satisfaction that impairs an insurer's subrogation right, the insured is liable to the insurer for repayment of the medical payments benefits, less any expenses of acquiring the recovery, including a prorated share of attorney fees and costs. The insured is also required to hold that net recovery in trust to be delivered to the medical payments insurer. The bill prohibits an insurer from including any provision in its policy allowing for subrogation for any death benefit paid.

Clinic Licensure and Reimbursement under Medical Payments Coverage

Section 26 amends s. 400.9905, F.S., to provide that an entity is deemed a "clinic" and must be licensed in order to receive medical payments coverage reimbursement under s. 627.7265, F.S., unless the entity is:

- Wholly owned by a licensed physician, a licensed dentist, or a licensed chiropractic physician; or by the physician, dentist, or chiropractic physician and the spouse, parent, child, or sibling of the physician, dentist, or chiropractic physician;
- A licensed hospital or ambulatory surgical center;
- An entity that wholly owns or is wholly owned, directly or indirectly, by a licensed hospital or hospitals;
- A clinical facility affiliated with an accredited medical school at which training is provided for medical students, residents, or fellows;
- A clinic certified under federal law to provide outpatient physical therapy and speech pathology services; or
- Owned by a publicly traded corporation which has \$250 million or more in total annual sales of health care services provided by licensed health care practitioners, if one or more of the persons responsible for operations of the entity are licensed health care practitioners in this state and are responsible for supervising the business and the entity's compliance with state law.

The above language is currently in s. 627.736(5)(h), F.S., and requires clinic licensure to receive reimbursement under PIP. The bill moves the requirement to this section, requires clinic licensure to receive reimbursement under medical payments coverage, and retains the exemptions from the definition of clinic detailed above.

This section of the bill also revises the definition of a "clinic" contained in s. 400.9905, F.S., of the Health Care Clinic Act, to replace references to PIP coverage and the Florida Motor Vehicle No-Fault Law with references to medical payments coverage.

⁶⁵ This appears to be a codification of the "made whole" doctrine acknowledged by the Florida Supreme Court in *Insurance Co. of North America v. Lexow*, 602 So.2d 528 (Fla. 1992). See also *Magsipock v. Larsen*, 639 So.2d 1038 (Fla. App. 1994), Generally, the principle is that an insurer does not have a common law right to subrogation, or reimbursement, against a third party causing the damages sustained by the insured unless the insured has been compensated for all of the insured's damages and been "made whole." However, the made whole doctrine may be overridden by contractual agreement under current case law. See *Florida Farm Bureau Ins. Co. v. Martin*, 377 So.2d 827 (Fla. 1979) and *Blue Cross & Blue Shield of Fla. V. Matthews*, 498 So.2d 421, 422 (Fla 1986).

Uninsured and Underinsured Motor Vehicle Insurance Coverage

Section 45 amends s. 627.727, F.S., which governs uninsured motor vehicle insurance coverage. Uninsured motorist coverage provides the policyholder with benefits if the at-fault driver does not have sufficient bodily injury coverage to make the insured whole for damages related injuries caused by the at-fault driver. Under the bill, the legal liability of an insurer providing uninsured motorist coverage *includes* damages in tort for pain, suffering, disability or physical impairment, disfigurement, mental anguish, inconvenience, and the loss of past and future capacity for the enjoyment of life. Under current law, an uninsured motorist insurer is not liable for such damages unless the injury or disease is sufficiently severe under s. 627.737(2)(a)-(d), F.S. of the No-Fault Law.

Under the No-Fault Law, a person cannot recover “pain and suffering” damages in tort from the at-fault driver’s bodily injury coverage unless the person’s injuries exceed a certain severity threshold,⁶⁶ in s. 627.737(2), F.S., commonly referred to as the “verbal threshold.”. Personal injury protection is considered a no-fault coverage because the injured person trades a limitation on the ability to recover pain and suffering damages for the ability to get PIP benefits even if the injured person is at fault in the accident. The bill repeals the “verbal threshold” provisions contained in the No-Fault Law in s. 627.737, F.S., thus necessitating a revision to s. 627.727(7), F.S.

Disclosure of Information Related to Liability Insurance Coverage

Section 42 amends s. 627.4137, F.S., to provide that if an insurer fails to timely comply with the requirements of the section, the claimant may file an action to enforce the section and is entitled to an award of reasonable attorney fees and costs to be paid by the insurer. Section 627.4137, F.S., requires liability insurers to provide, within 30 days of receiving a written request from a claimant, a sworn statement setting forth the name of the insurer, name of the insured, limits of liability coverage, a statement of any policy or coverage defense the insurer currently believes is reasonably available to it, and a copy of the insurance policy. Current law also requires an insured or an insured’s insurance agent to disclose to the claimant and all affected insurers, upon written request of the claimant or claimant’s attorney, the name and coverage of each known insurer.

Bad Faith Actions - Civil Remedy in Section 624.155, F.S.

Section 33 amends subsections (1) and (8) of s. 624.155, F.S. Section 624.155, F.S., authorizes any person to bring a civil action against insurers when damaged by an insurer through specified bad faith acts or statutory violations. The bill specifies that the cause of action under s. 624.155, F.S., for an insurer’s bad faith failure to settle a claim is not available with regard to a third-party bad faith failure to settle claim. Section 624.156, F.S., is created in Section 34 of the bill and applies to all bad faith failure to settle actions under a motor vehicle insurance policy. The bill also clarifies the prohibition in subsection (8) against a person obtaining judgments under multiple bad faith remedies, whether under statute or common law.

⁶⁶ The injury or disease must consist in whole or in part of significant and permanent loss of an important bodily function; permanent injury within a reasonable degree of medical probability, other than scarring or disfigurement; significant and permanent scarring or disfigurement; or death. See s. 627.737(2), F.S.

Bad Faith Failure to Settle Actions Against Motor Vehicle Insurers

Section 34 creates s. 624.156, F.S., the provisions of which apply to all third-party actions for bad faith failure to settle against motor vehicle insurers.

Scope - Subsection (1) specifies that s. 624.156, F.S., applies in all actions against any insurer by a third party for bad faith failure to settle related to a motor vehicle accident. Accordingly, it revises the common law cause of action for third-party bad faith failure to settle and does not allow bringing such actions outside the provisions of this section. Nor may a third-party action for bad faith failure to settle be brought under s. 624.155, F.S., pursuant to the bill's revision to s. 624.155(1), F.S.

Defining the Duty of Good Faith – Subsection (2) provides that in handling claims, an insurer stands as a fiduciary for its insured and must handle claims in good faith. The insurer must comply with the best practice standards of subsection (4) using the same degree of care and diligence as a person of ordinary care and prudence would exercise in the management of his or her own business. This is essentially the duty of good faith that the Florida Supreme Court established in a 1938 decision,⁶⁷ and since then has consistency maintained.⁶⁸

Defining Bad Faith Failure to Settle – Subsection (3) defines “bad faith failure to settle” as an insurer’s failure to settle a claim when, under all the circumstances, it could and should have done so, had it acted fairly and honestly toward its insured and with due regard for the insured’s interests. This definition reflects Florida common law and is taken directly from section 404.4 of the Florida Standard Jury Instructions in Civil Cases.⁶⁹ This standard is used in both first and third party bad faith failure to settle claims.⁷⁰

Best Practice Standards for Insurance Claim Handling – Subsection (4) sets forth best practice claim handling standards that a motor vehicle insurer is subject to upon the earlier of receiving notice of a claim or a demand for settlement under subsection (6). An insurer must:

- Assign a licensed and appointed insurance adjuster to investigate the claim and resolve coverage questions.
- Evaluate every claim fairly, honestly, and with due regard for the insured’s interests; consider the full extent of the claimant’s recoverable damages; and consider the information in a reasonable and prudent manner.
- Request from an insured or claimant additional relevant information deemed necessary.
- Communicate with the utmost honesty and with complete candor.
- Make reasonable efforts to explain to nonattorneys matters requiring expertise beyond the level normally expected of a layperson with no training in insurance or claims handling.
- Save all written communications and note and save all verbal communications.
- Provide the insured, upon request, with all nonprivileged communications related to the insurer’s handling of the claim.

⁶⁷ *Auto Mut. Indem. Co. v. Shaw*, 184 So. 852 (Fla. 1938).

⁶⁸ See *Boston Old Colony Ins. v. Gutierrez*, 386 So.2d 783 (Fla. 1980), *Berges v. Infinity Ins. Co.*, 896 So.2d 665 at 672-673 (Fla. 2004), and *Harvey v. GEICO General Ins. Co.*, 259 So.3d 1, at 6-7 (Fla 2018).

⁶⁹ <https://jury.flcourts.org/civil-jury-instructions-home/civil-instructions/#404>.

⁷⁰ See *State Farm Mutual Automobile Insurance Co. v. LaForet*, 658 So.2d 55 (Fla. 1995).

- Provide, at the insurer's expense, reasonable accommodations necessary to communicate effectively with an insured covered under the Americans with Disabilities Act.
- In third-party claims, communicate to the insured:
 - The identity of any other person or entity the insurer knows may be liable;
 - The insurer's activity on and evaluation of the claim;
 - The likelihood and possible extent of an excess judgment;
 - Steps the insured can take to avoid exposure to an excess judgment;
 - Requests for examinations under oath and an explanation of the consequences of an insured's failure to submit to an examination under oath; and
 - Any demands for settlement under subsection (6) or settlement offers.

Conditions Precedent to Filing a Third-Party Action for Bad Faith Failure to Settle – Subsection (5) requires the claimant, as a condition precedent to file a third-party bad faith failure to settle action to:

- Serve a demand for settlement under subsection (6) within the insurer's limits of liability in exchange for a release of further liability against the insured; and
- Obtain a final judgment in excess of the policy limits against the insured.

Demand for Settlement – Subsection (6) provides that the claimant's demand for settlement, which is a condition precedent to filing a third-party bad faith failure to settle action, must do all of the following:

- Identify the date and location of the loss; the name, address, and birthdate of the claimant; the name of each insured to whom the demand is directed; and the legal and factual basis of the claim.
- Provide a reasonably detailed description of the claimant's known injuries caused or aggravated by the incident on which the claim is based, the medical treatment causally related to the incident on which the claim is based, and the type and amount of known damages incurred and any future damages the claimant reasonably anticipates incurring.
- State the amount of the demand for settlement.
- State whether the demand is conditioned on the completion of the claimant examining the insured under oath as provided in subsection (8).
- Provide a physical address, e-mail address, and facsimile number for further communications.
- Release the insured from further liability if the settlement is completed.
- Be served upon the insurer by certified mail at a specified address.

Prohibition on Conditions for Accepting a Demand for Settlement; Exception – Subsection (7) generally prohibits a claimant from placing conditions on a demand for settlement. The claimant may, however, condition the demand on conducting an examination under oath (EUO) of the insured as provided in subsection (8). The EUO may be regarding whether:

- The insured can satisfy a claim for damages in excess of the insurance policy limits;
- Any other person may be liable for the insured's negligence; and
- Other insurance exists which may cover damages sustained by the claimant.

Examinations Under Oath – Subsection (8) provides a third-party claimant the right to examine under oath the insured one time for up to 2 hours.

Only the issues detailed in subsection (7) may be addressed in the EUO; the claimant may not examine the insured regarding liability. The claimant may request that the insured bring to the EUO relevant documents in the insured's possession, custody or control. Examples of such documents are credit reports, insurance policies, bank statements, tax returns, deeds, titles, and other documents that prove assets and liabilities. The parties must cooperate when scheduling the EUO, which must occur within 30 days after an insurer accepts a settlement demand.

The claimant may withdraw a settlement demand within 7 days after an examination under oath. This is necessary because the demand must be within policy limits and made prior to conducting the EUO.

The claimant may also withdraw a settlement demand if the insured refuses to submit to an EUO. When the insured refuses to submit to an EUO, the insurer may accept a demand for settlement without requiring the claimant release the insured from liability. When an insurer accepts a demand for settlement under such a circumstance, the insurer is excused from its duty to defend the insured.

Safe Harbor – Subsection (9) provides that an insurer may not be held liable in any third-party action for bad faith failure to settle if the insurer tenders its policy limits within 30 days of receiving a demand for settlement under subsection (6). Black's Law Dictionary defines "tender" as "a valid and sufficient offer of performance"⁷¹ thus the insurer obtains the safe harbor when it offers to accept a settlement demand within 30 days of receiving the demand. The safe harbor will also apply when the insurer tenders policy limits and the claimant withdraws a settlement demand within 7 days after conducting an EUO.

Release – Subsection (10) provides that an insurer that accepts a settlement demand is entitled to a release of its insured, unless the insured refused to submit to an EUO under paragraph (8)(f).

Burden of Proof in Bad Faith Failure to Settle Actions; – Subsection (11) provides that in all bad faith failure to settle actions the claimant must prove by the preponderance of the evidence that the insurer violated its duty of good faith as defined in subsection (2), and that the insurer in bad faith failed to settle as defined in subsection (3). This will be the burden of proof in any third-party failure to settle action against a motor vehicle insurer.

Matters the Trier of Fact Must Consider – Subsection (11) also requires the trier of fact, when determining whether the claimant has met its burden to prove both that the insurer violated the duty of good faith and in bad faith failed to settle, to consider all of the following:

- Whether the insurer complied with the best practice claim handling standards of subsection (4).
- Whether the insurer in bad faith failed to settle the claim.
- Whether the claimant or insured failed to timely provide relevant information to the insurer.
- Whether the claimant or insured misrepresented or omitted material facts to the insurer.
- Whether the insured denied liability or requested that the case be defended after the insurer fully advised the insured as to the facts and risks.

⁷¹ Black's Law Dictionary (11th ed. 2019).

- Whether the insurer timely informed the insured of a demand to settle within the limits of coverage, the right to retain personal counsel, and the risk of litigation.
- The insurer's willingness to negotiate with the claimant in anticipation of settlement.
- The amount of damages the claimant incurred or was likely to incur in the future under the facts known or reasonably available at the time of the insurer's response.
- If applicable, whether there were multiple third-party claimants seeking compensation that in the aggregate exceeded the insureds policy limits, and if so, whether the insurer breached its duty to attempt to minimize the magnitude of possible excess judgments against the insured and settle as many claims as possible within policy limits in exchange for a release of the insured from further liability.
- Additional factors the court determines to be relevant.

The bill allows the trier of fact to be informed that an excess judgment occurred, but prohibits informing the trier of fact of the amount of the excess judgment.

Damages – Subsection (12) provides that a motor vehicle insurer that is found to have violated its duty of good faith and to have in bad faith failed to settle is liable for the amount of the excess judgment. Other damages, including punitive damages, are not recoverable.

Demand for Settlement by a Judgment Creditor – Subsection (13) provides that a judgment creditor that serves a demand for settlement must be subrogated to the rights of the insured against the insurer when the judgment exceeds the insured's limits of liability.

Limitation on Multiple Remedies – Subsection (14) specifies that a person is not entitled to judgment under multiple bad faith remedies.

Rate Filings

Section 38 amends s. 627.0651, F.S., providing that initial rate filings for motor vehicle liability policies submitted to the OIR on or after January 1, 2022, must reflect the financial responsibility requirements of the amended s. 324.022, F.S., and may be approved only through the file and use process for making rates for motor vehicle insurance set out in that section of law.

Named Driver Exclusion

Section 51 creates s. 627.747, F.S., authorizing a private passenger motor vehicle policy to exclude an identified individual from coverages. Currently, the OIR requires insurers to provide exceptions to named driver exclusions up to statutorily required minimum limits for PIP coverage, property damage liability coverage, BI liability coverage (if the policy is used to meet financial responsibility requirements), and UM coverage in certain circumstances.⁷²

Under the bill, if an identified individual is specifically excluded by name on the policy declarations page or by endorsement, and a policyholder consents to such exclusion in writing, a

⁷² See Office of Insurance Regulation, *2018 Agency Bill Analysis SB 518*, pg. 2 (Oct. 30, 2017). On file with the Senate Banking and Insurance Committee.

private passenger motor vehicle policy may exclude an identified individual from the following coverages:

- Property damage liability coverage.
- Bodily injury liability coverage.
- Uninsured motorist coverage for any damages sustained by the identified excluded individual, if the policyholder has purchased such coverage.
- Any coverage the policyholder is not required by law to purchase.

However, a private passenger motor vehicle policy may not exclude coverage when:

- The identified excluded individual is injured while not operating a motor vehicle;
- The exclusion is unfairly discriminatory under the Florida Insurance Code, as determined by the Office of Insurance Regulation; or
- The exclusion is inconsistent with the underwriting rules filed by the insurer.

An individual excluded by name in an insurance policy would not be covered for damages that occur while operating a motor vehicle that is insured under the policy, unless the excluded driver has purchased a separate policy that provides motor vehicle insurance coverage.

Application of Bill

Applicability and Construction of Bill and Notice to Policyholders of New Motor Vehicle Insurance Requirements

Section 47 creates s. 627.7278, F.S., applying financial responsibility requirements and optional medical payments coverage created by the bill as follows:

- Effective January 1, 2022:
 - All motor vehicle insurance policies issued or renewed may not include PIP.
 - All persons must maintain at least minimum security requirements, which is the ability to respond to damages for liability because of motor vehicle crashes in the amounts required in s. 324.021(7), F.S., for private use motor vehicles, for-hire passenger transportation vehicles, commercial motor vehicles, and nonpublic sector buses.
 - Any new or renewal motor vehicle insurance policy delivered or issued in this state must provide coverage that complies with minimum security requirements.
 - An existing motor vehicle insurance policy that provides PIP and property damage liability coverage, but does not meet the new bodily injury liability requirements, is deemed to meet the bodily injury requirements until the policy is renewed, non-renewed or cancelled on or after January 1, 2022, and the provisions of the No-Fault law and other related statutes remain in full force and effect for motor vehicle accidents covered under a policy issued under the No-Fault law before that date, until the policy is renewed, nonrenewed, or canceled.
- Insurers must allow each insured who has a policy providing PIP that is effective before January 1, 2022, and whose policy does not meet minimum security requirements, to eliminate PIP coverage and obtain coverage providing minimum security requirements effective on or after January 1, 2022. The insurer is also required to offer each insured the optional medical payments coverage required by the bill. Insurers may not impose additional fees solely to change coverage, but may charge an additional premium that is actuarially indicated.

- By September 1, 2021, each motor vehicle insurer shall provide notice that:
 - The Florida Motor Vehicle No-Fault Law is repealed effective January 1, 2022, and that PIP coverage is no longer required or available for purchase.
 - Effective January 1, 2022, a person subject to the financial security requirements of s. 324.022, F.S., must maintain minimum security requirements for BI and PD liability in the following amounts:
 - \$25,000 for BI or death of one person in any one crash and, subject to such limits, \$50,000 for BI or death of two or more persons in any one crash, and
 - \$10,000 for PD in any one crash.
 - BI liability coverage protects the insured, up to the coverage limits, against loss if the insured is legally responsible for the death of or bodily injury to others in a motor vehicle accident.
 - Effective January 1, 2022, each holder of a motor vehicle liability insurance policy purchased as proof of financial responsibility must be offered the optional medical payments coverage benefits at limits of \$5,000 and \$10,000 without a deductible, may be offered such coverage at limits greater than \$5,000, and may be offered coverage with a deductible of up to \$500. Medical payments coverage pays covered medical expenses, up to the limits, for injuries sustained in a motor vehicle crash by the named insured, resident relatives, persons operating the insured motor vehicle, passengers in the insured motor vehicle, and persons who are struck by the insured motor vehicle and suffer bodily injury while not an occupant of a self-propelled motor vehicle. Medical payments coverage pays for reasonable expenses for necessary medical, diagnostic, and rehabilitative services that are lawfully provided, supervised, ordered, or prescribed by a licensed physician, a licensed dentist, or a licensed chiropractic physician, or that are provided in a hospital or in a facility that owns, or is wholly owned by, a hospital. Medical payments coverage also provides a death benefit of at least \$5,000.
 - A policyholder may obtain uninsured and underinsured motorist coverage, which provides benefits to a policyholder entitled to recover bodily injury damages resulting from a motor vehicle accident with an uninsured or underinsured owner or operator of a motor vehicle.
 - A policy effective before January 1, 2022, is deemed to meet minimum security requirements until it is renewed, non-renewed, or canceled on or after January 1, 2022.
 - A policyholder may change coverages to eliminate PIP protection and obtain coverage providing minimum security requirements.
 - If the policyholder has any questions, he or she should contact the person named at the telephone number provided in the notice.

This section is effective upon the act becoming a law.

Application of Suspensions for Failure to Maintain Security

Section 15 creates s. 324.0222, F.S., requiring all driver license and motor vehicle registration suspensions for failure to maintain security as required by law in effect before January 1, 2022, to remain in full force and effect after January 1, 2022. A driver may reinstate a suspended driver's license or registration as provided under s. 324.0221, F.S.

Technical and Conforming Changes

Section 3 amends s. 316.646, F.S., which requires drivers to maintain and be able to display proof of security demonstrating compliance with financial responsibility requirements. The bill makes conforming changes necessitated by the bill's amendment or repeal of other sections of law and inserts a cross-reference to the revised s. 324.021(7), F.S., which contains the minimum insurance requirements for purposes of proof of financial responsibility beginning January 1, 2022.

Section 4 amends s. 318.18(2), F.S., regarding nonmoving traffic violations, to remove a reference to PIP and conform cross references.

Section 5 amends s. 320.02, F.S., which contains the requirements to register a motor vehicle. The bill amends the section to require proof of motor vehicle insurance that meets the minimum limits of BI and PD liability, remove references to PIP, and make other conforming changes.

Section 6 amends s. 320.0609, F.S., to eliminate a reference to PIP in a provision specifying that transferring a license plate from a vehicle disposed of to a newly acquired vehicle does not constitute a new registration.

Section 9 amends s. 322.251, F.S., regarding notice of cancellation, suspension, or revocation of a driver's license to repeal references to the No-Fault Law.

Section 10 amends s. 322.34, F.S., regarding driving on a suspended, revoked, canceled, or disqualified driver's license, to delete a reference to the No-Fault Law.

Section 11 amends s. 324.011, F.S., which provides the purpose of ch. 324, F.S., to specify that under the chapter all owners or operators of a motor vehicle required to be registered in this state must establish, maintain and show proof of financial responsibility. Currently, financial responsibility requirements only apply after an operator is involved in a crash or convicted of certain traffic offenses.

Section 14 amends s. 324.0221, F.S., which requires insurers to report motor vehicle insurance cancellations to the DHSMV, to remove references to PIP and replace the reference to PD coverage with a reference to liability coverage, and conform cross references.

Section 16 corrects cross references in s. 324.023, F.S., which requires drivers who plead guilty or nolo contendere to a charge of driving under the influence to meet additional liability insurance requirements.

Section 19 amends s. 324.051, F.S., regarding crash reports, to refer to motor vehicle liability policies rather than automobile liability policies.

Section 20 amends s. 324.071, F.S., to provide stylistic changes to provisions governing the reinstatement of a suspended license.

Section 21 amends s. 324.091, F.S., which requires owners and operators involved in a crash or conviction case to furnish evidence of liability insurance, by deleting references to an automobile liability policy while retaining references to a motor vehicle liability policy.

Section 25 amends s. 324.251, F.S., to revise the short title of ch. 324, F.S., to the “Financial Responsibility Law of 2021” and state it will be effective at 12:01 a.m., on January 1, 2022. Currently the chapter is the “Financial Responsibility Law of 1955.”

Sections 27 and 28 amend s. 400.991, F.S., and s. 400.9935, F.S., respectively, of the Health Care Clinic Act to remove references to PIP and the No-Fault Law and insert references to medical payments coverage.

Section 29 revises the definition of a “third party benefit” in s. 409.901, F.S., for purposes of Medicaid to refer to medical payments coverage rather than PIP coverage.

Section 30 amends s. 409.910(11), F.S., to specify that the Agency for Health Care Administration may recoup the total amount of medical assistance provided by Medicaid from motor vehicle insurance coverage benefits provided to a Medicaid beneficiary. Current law refers to PIP.

Section 31 amends s. 456.057, F.S., regarding patient records, to correct a cross-reference.

Section 32 amends s. 456.072, F.S., to allow the Department of Health to discipline licensees for submitting claims for medical payments coverage reimbursement when treatment is not rendered or when treatment is intentionally upcoded. The department currently has such disciplinary authority with regard to false billing under PIP coverage. The bill relocates from the repealed s. 627.732, F.S., the existing definition of “upcoded,” and replaces references to PIP with references to medical payments coverage.

Section 35 amends s. 626.9541(1)(i) and (o), F.S., regarding unfair insurance trade practices related to motor vehicle insurance. The bill deletes the unfair trade practice in paragraph (i) for failing to pay claims within statutory time periods required under the No-Fault Law to conform to the repeal of those time frames by the bill. The section makes a technical amendment to paragraph (o) to reference BI liability coverage, PD liability coverage, and medical payments coverage, rather than PIP, in the prohibitions against the unfair insurance trade practice of increasing premium or cancelling a motor vehicle insurance policy solely because the insured was involved in a motor vehicle accident without having information the insured was substantially at fault.

Section 36 amends s. 626.989, F.S., to revise the “fraudulent insurance acts” detailed in the section to refer to medical payments coverage, rather than the No-Fault Law.

Section 37 amends s. 627.06501, F.S., regarding insurance discounts for completing a driver improvement course, to delete a reference to PIP and insert a reference to medical payments coverage.

Sections 39 and 40 amend s. 627.0652, F.S., and s. 627.0653, F.S., respectively, relating to insurance discounts for motor vehicle coverage, by replacing references to PIP with references to medical payments coverage.

Section 41 amends s. 627.4132, F.S., regarding the general prohibition against stacking of motor vehicle coverages, to refer to BI and PD instead of PIP or other coverage.

Section 43 amends s. 627.7263, F.S., which generally makes the rental and leasing driver's insurance primary, to delete references to PIP and insert references to medical payments coverage.

Section 48 amends s. 627.728, F.S., which governs cancellations of motor vehicle insurance policies, to delete a reference to PIP in the definition of "policy."

Section 49 amends s. 627.7295, F.S., to revise definitions relating to motor vehicle insurance contracts by deleting references to PIP and inserting references to BI liability coverage, and make other conforming and editorial changes.

Section 52 amends s. 627.748, F.S., relating to insurance requirements for transportation network companies, to remove references to PIP required under the repealed No-Fault law and inserts cross-references to the revised financial responsibility requirements applied to for-hire passenger transportation vehicles in Section 17 of the bill.

Section 53 amends s. 627.749, F.S., relating to insurance requirements for autonomous vehicles, to delete a reference to PIP in those insurance requirements.

Section 54 amends s. 627.8405, F.S., regarding prohibited acts of premium finance companies, to replace a reference to a PIP/PD only policy with a reference to a policy that only provides BI/PD.

Section 55 amends s. 627.915, F.S., which requires private passenger automobile insurers to report information annually to the office, to remove references to PIP.

Section 56 amends s. 628.909, F.S., which applies certain provisions of the Insurance Code to captive insurance companies, to delete references to the No-Fault Law.

Section 57 amends s. 705.184, F.S., which governs derelict or abandoned motor vehicles on the premises of public-use airports, to delete references to s. 627.736, F.S., which is repealed by the bill.

Section 58 amends s. 713.78, F.S., regarding liens for recovering, towing, or storing vehicles and vessels, to delete references to s. 627.736, F.S., which is repealed by the bill.

Section 59 amends s. 817.234, F.S., regarding false and fraudulent insurance claims, to delete references to PIP and replace them with references to medical payments coverage.

Appropriation

Section 60 appropriates for the 2021-2022 fiscal year \$83,651 in nonrecurring funds from the Insurance Regulatory Trust Fund to the Office of Insurance Regulation for the purpose of implementing the act.

Effective Date

Section 61 provides that except as otherwise expressly provided in the act and this section, which take effect upon this act becoming a law, the act is effective January 1, 2022.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

Bodily injury coverage is not a required coverage under Florida law unless a person is involved in certain accidents causing bodily injury, convicted of certain offenses, or is otherwise required to maintain BI liability coverage in statute. Failure to maintain BI coverage, when required, can result in the suspension of a license or registration. The reinstatement fee under s. 324.071, F.S., for such suspension under current law is \$15. The bill retains this reinstatement fee for a license suspension based upon a crash report under s. 324.051(2), F.S.; a registration suspension under s. 324.072, F.S., based on a license suspension pursuant to s. 322.26, F.S., or s. 322.27, F.S.; suspension of the operating privileges of a nonresident driver under s. 324.081, F.S.; or suspension of license and registration under s. 324.121, F.S., for failure to satisfy a judgment.

The bill retains the current reinstatement fees under s. 324.0221, F.S., for a suspended license or registration for failure to maintain required insurance based on a report by an insurer. The reinstatement fee for such suspensions under s. 324.0221, F.S., is \$150 for a first reinstatement, while second and subsequent reinstatements within 3 years of the first reinstatement require fees of \$250 and \$500, respectively.

B. Private Sector Impact:

The fiscal impact to policyholders, health insurers, health care providers, and injured claimants is indeterminate. However, in a 2016 report, *Florida Office of Insurance Regulation: Review of Personal Injury Protection Legislation*, provided, among other information, actuarial estimates of the savings expected from repealing the No-Fault Law.⁷³ The report concludes, based only on repeal of the No-Fault Law with financial responsibility limits of \$25,000/\$50,000, that a 5.6 percent savings would be realized in the statewide average premium charge.⁷⁴ The 2016 PIP Study estimated that health insurers would cover approximately \$469.7 million of current PIP loss if No-Fault were repealed.⁷⁵ Health care providers would cover approximately \$32.8 million of current PIP losses.⁷⁶ Injured claimants would cover approximately \$82.9 million of current PIP losses.⁷⁷ In an addendum to the study, Pinnacle evaluated the effect on premiums of enacting legislation⁷⁸ that provides that a motor vehicle insurer is not liable for a bad faith failure to settle when it offers to pay the claimant the lesser of the amount demanded or policy limits with 45 days of receiving written notice of the loss. Pinnacle estimated such a provision would reduce BI premiums by 0.9 percent.⁷⁹

The actuarial consulting firm Milliman, Inc., estimated the impact of similar, but not identical, legislation in 2018, on behalf of the Property and Casualty Insurers Association of America. The Milliman report, dated January 25, 2018, estimated that repealing PIP and mandating BI coverage of at least \$25,000/\$50,000 would increase premiums on average by \$67 (5.3 percent), increase premiums on average for drivers that currently purchase full coverage by \$105 (7.2 percent), and increase premiums on average \$230 (50.1 percent) for drivers who currently purchase only PIP and PD at the minimum mandatory limits.⁸⁰ The report estimates that mandating \$5,000 of MedPay in addition to mandating BI coverage of at least \$25,000/\$50,000 would increase premiums on average by \$115.85 (9.2 percent).⁸¹ The report identifies as cost-drivers increasing premium the

⁷³ Office of Insurance Regulation, *Review of Personal Injury Protection Legislation*, (Sept. 13, 2016), Appendix 3, p. 1. Available at <http://www.floir.com/siteDocuments/FLOIRReviewPIP20160913.pdf> (last accessed January 27, 2021).

⁷⁴ That is the average premium savings for a driver purchasing BI, UM, PD, Comprehensive, and Collision coverages.

⁷⁵ See Office of Insurance Regulation fn. 52 at pg. 68.

⁷⁶ See *id.*

⁷⁷ See *id.*

⁷⁸ Senate Bill 1088 (2015).

⁷⁹ Office of Insurance Regulation, *Review of Personal Injury Protection Legislation – Addendum: Impact of Florida Third-Party Bad Faith Reform*, pg. 6 (Sept. 27, 2016). Available at <https://www.floir.com/siteDocuments/FloridaBadFaithAddendumFinal.pdf> (last accessed January 27, 2021).

⁸⁰ Milliman, Inc., *Florida Personal Auto Insurance Impact of Repealing No-Fault Coverage – Prepared for Property Casualty Insurers Association of America*, pg. 4 (Jan. 25, 2018). Available at http://floridapolitics.com/wp-content/uploads/2018/02/Impact-of-Repealing-No-Fault_Final.pdf (last accessed January 27, 2021).

⁸¹ See Milliman at pg. 6.

elimination of the No-Fault verbal threshold for noneconomic damages and the elimination of the PIP co-insurance provisions (20 percent for medical expenses and 40 percent for loss of income expenses).⁸² The Milliman report estimated that the adoption of legislation creating a condition precedent to bringing a first-party or third-party bad faith claim requiring that time limited demands be in writing, specify relevant details of the claim, include required documentation, and remain open for 45 to 90 days, could decrease bad faith costs by up to 50 percent, or 6.7 percent of premium.⁸³

Policyholders who reside in the same household as a high-risk individual who is of driving age could see a decrease in their rates if they exclude such drivers from one or more of the specified coverages.

C. Government Sector Impact:

The bill appropriates for the 2021-2022 fiscal year \$83,651 in nonrecurring funds from the Insurance Regulatory Trust Fund to the Office of Insurance Regulation to implement the act. The fiscal impact to state and local governments is otherwise indeterminate.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 316.646, 318.18, 320.02, 320.0609, 320.27, 320.771, 322.251, 322.34, 324.011, 324.021, 324.022, 324.0221, 324.023, 324.031, 324.032, 324.051, 324.071, 324.091, 324.151, 324.161, 324.171, 324.251, 400.9905, 400.991, 400.9935, 409.901, 409.910, 456.057, 456.072, 624.155, 626.9541, 626.989, 627.06501, 627.0651, 627.0652, 627.0653, 627.4132, 627.4137, 627.7263, 627.727, 627.7275, 627.728, 627.7295, 627.7415, 627.748, 627.749, 627.8405, 627.915, 628.909, 705.184, 713.78, and 817.234.

This bill creates the following sections of the Florida Statutes: 324.0222, 624.156, 627.726, 627.7278, and 627.747.

This bill repeals the following sections of the Florida Statutes: 627.730, 627.731, 627.7311, 627.732, 627.733, 627.734, 627.736, 627.737, 627.739, 627.7401, 627.7403, 627.7405, and 627.7407.

⁸² See Milliman at pgs. 9-10.

⁸³ See Milliman at pgs. 15-16.

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Banking and Insurance on January 26, 2021:

The committee substitute provides that s. 624.156, F.S., created by the bill will apply to all third party bad faith failure to settle actions against motor vehicle insurers. The amendment also specifies that the failure to settle cause of action under the civil remedy provided in s. 624.155, F.S., does not apply to a third-party bad faith failure to settle action subject to the newly created s. 624.156, F.S. Thus, s. 624.156, F.S., will exclusively govern all third-party bad faith failure to settle actions against a motor vehicle insurer.

The committee substitute also creates within s. 624.155, F.S., a first-party bad faith cause of action for failure to settle when such failure is caused by a failure to communicate with the insured in accordance with specified best practices. In the filed bill, these best practices regarding communication with a first-party insured were part of s. 624.156, F.S.

- B. **Amendments:**

None.



799160

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
01/26/2021	.	
	.	
	.	
	.	

The Committee on Banking and Insurance (Passidomo) recommended the following:

Senate Amendment (with title amendment)

Delete lines 1677 - 1949
and insert:

Section 33. Paragraph (b) of subsection (1) and subsection (8) of section 624.155, Florida Statutes, are amended to read:

624.155 Civil remedy.—

(1) Any person may bring a civil action against an insurer when such person is damaged:

(b) By the commission of any of the following acts by the



799160

11 insurer:

12 1. Except for a third-party bad faith failure to settle a
13 claim subject to s. 624.156, not attempting in good faith to
14 settle claims when, under all the circumstances, it could and
15 should have done so, had it acted fairly and honestly toward its
16 insured and with due regard for her or his interests;

17 2. Making claims payments to insureds or beneficiaries not
18 accompanied by a statement setting forth the coverage under
19 which payments are being made; ~~or~~

20 3. Except as to liability coverages, failing to promptly
21 settle claims, when the obligation to settle a claim has become
22 reasonably clear, under one portion of the insurance policy
23 coverage in order to influence settlements under other portions
24 of the insurance policy coverage; or

25 4. When handling a first-party claim under a motor vehicle
26 insurance policy, not attempting in good faith to settle such
27 claim pursuant to subparagraph 1. when such failure is caused by
28 a failure to communicate to an insured:

29 a. Information on who is adjusting the claim;

30 b. Any issues that may impair the insured's coverage;

31 c. Information that might resolve the issue in a prompt
32 manner;

33 d. Any basis for the insurer's rejection or nonacceptance
34 of any settlement offer; or

35 e. Any needed extensions to respond to a time-limited
36 settlement offer.

37

38 Notwithstanding the provisions of the above to the contrary, a
39 person pursuing a remedy under this section need not prove that



799160

40 such act was committed or performed with such frequency as to
41 indicate a general business practice.

42 (8) The civil remedy specified in this section does not
43 preempt any other remedy or cause of action provided for
44 pursuant to any other statute or pursuant to the common law of
45 this state. ~~A Any person is may obtain a judgment under either~~
46 ~~the common law remedy of bad faith or this statutory remedy, but~~
47 ~~shall not be~~ entitled to a judgment under multiple bad faith
48 ~~both~~ remedies, whether under statute or common law. This section
49 shall not be construed to create a common-law cause of action.
50 The damages recoverable pursuant to this section shall include
51 those damages which are a reasonably foreseeable result of a
52 specified violation of this section by the authorized insurer
53 and may include an award or judgment in an amount that exceeds
54 the policy limits.

55 Section 34. Section 624.156, Florida Statutes, is created
56 to read:

57 624.156 Bad faith failure to settle actions against motor
58 vehicle insurers by third-party claimants.-

59 (1) SCOPE.-This section applies in all actions against any
60 insurer by a third party for bad faith failure to settle,
61 whether under statute or common law, for a loss arising out of
62 the ownership, maintenance, or use of a motor vehicle operated
63 or principally garaged in this state at the time of an accident,
64 regardless of whether the insurer is authorized to do business
65 in this state or issued a policy in this state.

66 (2) DUTY OF GOOD FAITH.-In handling claims, an insurer
67 stands as a fiduciary for its insured and must handle claims in
68 good faith. The insurer shall comply with the best practice



799160

69 standards of subsection (4) using the same degree of care and
70 diligence as a person of ordinary care and prudence would
71 exercise in the management of his or her own business.

72 (3) BAD FAITH FAILURE TO SETTLE.—“Bad faith failure to
73 settle” means an insurer’s failure to settle a claim when, under
74 all the circumstances, it could and should have done so, had it
75 acted fairly and honestly toward its insured and with due regard
76 for the insured’s interests.

77 (4) BEST PRACTICE STANDARDS.—Upon the earlier of receiving
78 notice of a claim or, under subsection (6), a demand for
79 settlement, an insurer must do all of the following:

80 (a) Assign a duly licensed and appointed insurance adjuster
81 to investigate the claim and resolve any questions concerning
82 the existence or extent of the insured’s coverage.

83 (b) Evaluate every claim fairly, honestly, and with due
84 regard for the interests of its insured, consider the full
85 extent of the claimant’s recoverable damages, and consider the
86 information in a reasonable and prudent manner.

87 (c) Request from the insured or claimant additional
88 relevant information deemed necessary.

89 (d) Conduct all verbal and written communications with the
90 utmost honesty and complete candor.

91 (e) Make reasonable efforts to explain to nonattorneys
92 matters requiring expertise beyond the level normally expected
93 of a layperson with no training in insurance or claims-handling
94 issues.

95 (f) Save all written communications and note and save all
96 verbal communications in a reasonable manner.

97 (g) Provide the insured, upon request, with all



799160

98 nonprivileged communications related to the insurer's handling
99 of the claim.

100 (h) Provide, at the insurer's expense, reasonable
101 accommodations necessary to communicate effectively with an
102 insured covered under the Americans with Disabilities Act.

103 (i) In handling third-party claims, communicate to an
104 insured:

105 1. The identity of any other person or entity the insurer
106 knows may be liable;

107 2. The insurer's activity on and evaluation of the claim;

108 3. The likelihood and possible extent of an excess
109 judgment;

110 4. Steps the insured can take to avoid exposure to an
111 excess judgment;

112 5. Requests for examinations under oath and an explanation
113 of the consequences of an insured's failure to submit to an
114 examination under oath; and

115 6. Any demands for settlement under subsection (6) or
116 settlement offers.

117 (j) When a loss involves multiple claimants and the
118 claimants are unwilling to settle cumulatively within the policy
119 limits and release the insured from further liability, in
120 addition to fulfilling the requirements of paragraphs (a)-(i),
121 attempt to minimize the risk of excess judgments against the
122 insured and settle as many claims as possible within the policy
123 limits in exchange for a release of the insured from further
124 liability.

125 (5) CONDITIONS PRECEDENT.—It is a condition precedent to
126 filing a third-party action for bad faith failure to settle



799160

127 against an insurer that the claimant must:
128 (a) Serve a demand for settlement, as provided in
129 subsection (6), within the insurer's limits of liability in
130 exchange for a release of further liability against the insured;
131 and
132 (b) Obtain a final judgment in excess of the policy limits
133 against the insured.
134 (6) DEMAND FOR SETTLEMENT.—A demand for settlement must do
135 all of the following:
136 (a) Identify the:
137 1. Date and location of loss;
138 2. Name, address, and date of birth of the claimant;
139 3. Name of each insured to whom the demand for settlement
140 is directed; and
141 4. Legal and factual basis of the claim.
142 (b) Provide a reasonably detailed description of the
143 claimant's:
144 1. Known injuries caused or aggravated by the incident on
145 which the claim is based;
146 2. Medical treatment causally related to the incident on
147 which the claim is based; and
148 3. Type and amount of known damages incurred and, if any,
149 the damages the claimant reasonably anticipates incurring in the
150 future.
151 (c) State the amount of the demand for settlement.
152 (d) State whether the demand for settlement is conditioned
153 on the completion of an examination under oath, as authorized by
154 subsection (8).
155 (e) Provide a physical address, an e-mail address, and a



156 facsimile number for further communications, including, but not
157 limited to, responses to the demand for settlement.

158 (f) Release the insured from any further liability upon the
159 insurer's acceptance of a demand for settlement which is not
160 withdrawn pursuant to paragraph (8) (e) or paragraph (8) (g), or
161 accepted pursuant to paragraph (8) (f).

162 (g) Be served upon the insurer by certified mail at the
163 address designated by the insurer with the Department of
164 Financial Services under s. 624.422(2).

165 (7) LIMITATIONS ON CONDITIONS OF ACCEPTANCE OF A DEMAND.—A
166 claimant may not place any conditions on acceptance of a demand
167 for settlement other than electing the right to examine the
168 insured under oath regarding any of the following:

169 (a) Whether the insured has the ability to satisfy a claim
170 for damages in excess of the insurer's limits of liability.

171 (b) Whether any other person or entity may have actual or
172 potential direct or vicarious liability for the insured's
173 negligence.

174 (c) Whether any other insurance exists which may cover some
175 or all of the damages sustained by the claimant.

176 (8) EXAMINATION UNDER OATH.—After serving a demand for
177 settlement, a claimant may examine the insured under oath, on
178 one occasion for a period of time not to exceed 2 hours,
179 regarding only the issues in subsection (7).

180 (a) The claimant may request that the insured bring to the
181 examination relevant documents in the insured's possession,
182 custody, or control, including, but not limited to, credit
183 reports, insurance policies, bank statements, tax returns,
184 deeds, titles, and other proof of assets or liabilities.



799160

185 (b) The claimant may not examine the insured regarding
186 liability.

187 (c) The claimant, the insurer, and the insured shall
188 cooperate in scheduling the examination under oath. The insurer
189 shall notify the insured of the date, time, and location of the
190 examination under oath.

191 (d) The examination under oath must occur within 30 days
192 after the insurer's acceptance of the settlement demand.

193 (e) The claimant may withdraw the demand for settlement if
194 the insured refuses to submit to an examination under oath.

195 (f) If the insured refuses to submit to an examination
196 under oath, the insurer may accept the demand for settlement
197 without requiring a release of the insured. An insurer that
198 accepts the demand for settlement pursuant to this paragraph
199 does not have any further duty to defend the insured and may not
200 be held liable for damages to the insured if the claimant
201 thereafter obtains an excess judgment against the insured.

202 (g) Within 7 days after the examination under oath, the
203 claimant may withdraw the demand for settlement.

204 (9) SAFE HARBOR.—In any third-party action for bad faith
205 failure to settle, an insurer may not be held liable if it
206 tenders its policy limits within 30 days of receiving a demand
207 for settlement under subsection (6).

208 (10) RELEASE.—An insurer that accepts a demand for
209 settlement under subsection (6) shall be entitled to a release
210 of its insured, except as provided in paragraph (8)(f).

211 (11) BURDEN OF PROOF.—In any third-party action for bad
212 faith failure to settle, the claimant must prove by the
213 preponderance of the evidence that the insurer violated its duty



799160

214 of good faith under subsection (2) and that the insurer in bad
215 faith failed to settle, as defined in subsection (3).

216 (a) In determining whether an insurer violated its duty of
217 good faith under subsection (2) and in bad faith failed to
218 settle, as defined in subsection (3), the trier of fact shall
219 consider all of the following:

220 1. Whether the insurer complied with the best practice
221 standards of subsection (4) using the same degree of care and
222 diligence as a person of ordinary care and prudence would
223 exercise in the management of his or her own business.

224 2. Whether the insurer failed to settle a claim when, under
225 all the circumstances, it could and should have done so, had it
226 acted fairly and honestly toward its insured and with due regard
227 for the insured's interests.

228 3. Whether the claimant or insured failed to provide
229 relevant information to the insurer on a timely basis.

230 4. Whether the claimant or insured misrepresented material
231 facts to the insurer or made material omissions of fact to the
232 insurer.

233 5. Whether the insured denied liability or requested that
234 the case be defended after the insurer fully advised the insured
235 as to the facts and risks.

236 6. Whether the insurer timely informed the insured of a
237 demand to settle within the limits of coverage, the right to
238 retain personal counsel, and the risk of litigation.

239 7. The insurer's willingness to negotiate with the claimant
240 in anticipation of settlement.

241 8. The amount of damages the claimant incurred or was
242 likely to incur in the future under the facts known or



799160

243 reasonably available at the time of the insurer's response.

244 9. If applicable, whether there were multiple third-party
245 claimants seeking, in the aggregate, compensation in excess of
246 the policy limits from the insured; and, if so, whether the
247 insurer breached its duty to attempt to minimize the magnitude
248 of possible excess judgments against the insured and to attempt
249 to settle as many claims as possible within the policy limits in
250 exchange for a release of the insured from further liability.

251 10. Additional factors that the court determines to be
252 relevant.

253 (b) The trier of fact, in determining whether an insurer in
254 bad faith failed to settle, must be informed that an excess
255 judgment occurred but may not be informed of the amount of the
256 excess judgment.

257 (12) DAMAGES.—An insurer that is found to have violated its
258 duty of good faith under subsection (2) and in bad faith failed
259 to settle, as defined in subsection (3), is liable for the
260 amount of any excess judgment. No other damages, including but
261 not limited to punitive damages, may be awarded in a third-party
262 bad faith failure to settle action.

263 (13) ENFORCEMENT.—If a judgment creditor has served a
264 demand for settlement under subsection (6), and the judgment
265 exceeds the insured's limits of liability, the judgment creditor
266 must be subrogated to the rights of the insured against the
267 insurer for common law bad faith.

268 (14) LIMITATION ON MULTIPLE REMEDIES.—A person is not
269 entitled to a judgment under multiple bad faith remedies,
270 whether under statute or common law.

271



272 ===== T I T L E A M E N D M E N T =====

273 And the title is amended as follows:

274 Delete lines 93 - 160

275 and insert:

276 providing an exception to the circumstances under
277 which a person who is damaged may bring a civil action
278 against an insurer; adding a cause of action against
279 insurers in certain circumstances; providing that a
280 person is not entitled to judgments under multiple bad
281 faith remedies; creating s. 624.156, F.S.; providing
282 that the section applies to bad faith failure to
283 settle actions against any insurer brought by a third
284 party for a loss arising out of the ownership,
285 maintenance, or use of a motor vehicle under specified
286 circumstances; providing that insurers have a duty of
287 good faith; defining the term "bad faith failure to
288 settle"; specifying best practice standards for
289 insurers upon receiving notice of a claim or a demand
290 for settlement; specifying certain requirements for
291 insurer communications to an insured in handling
292 third-party claims; specifying requirements for the
293 insurer when a loss involves multiple claimants under
294 certain conditions; specifying conditions precedent
295 for claimants filing third-party bad faith failure to
296 settle actions; specifying requirements for
297 information that must be included in a demand for
298 settlement; requiring a demand for settlement to
299 release the insured from liability under certain
300 conditions; requiring the demand for settlement be



799160

301 served upon the insurer at the address designated with
302 the Department of Financial Services; prohibiting
303 claimants from placing conditions on acceptance of a
304 demand for settlement other than electing the right to
305 examine the insured under oath regarding certain
306 information; authorizing claimants to examine insureds
307 under oath under certain conditions; authorizing the
308 claimant to request the insured bring relevant
309 documents to the examination under oath; prohibiting
310 the claimant from examining the insured under oath
311 regarding liability; requiring the claimant, insurer,
312 and insured to cooperate in scheduling the examination
313 under oath; specifying the timeframe within which the
314 examination must take place; authorizing the claimant
315 to withdraw the demand for settlement if the insured
316 refuses to submit to an examination under oath;
317 authorizing an insurer to accept a demand for
318 settlement if the insured refuses to submit to an
319 examination under oath; absolving an insurer of a duty
320 to defend and of liability under certain
321 circumstances; specifying the timeframe within which a
322 claimant may withdraw a demand for settlement;
323 providing that insurers may not be held liable in a
324 third-party bad faith failure to settle action if they
325 tender policy limits within a certain timeframe;
326 specifying that insurers that accept demands for
327 settlement are entitled to releases of their insureds;
328 providing an exception; requiring claimants to prove
329 in any third-party bad faith failure to settle action



799160

330 by a preponderance of the evidence that the insurer
331 violated its duty of good faith and in bad faith
332 failed to settle; specifying factors for the trier of
333 fact to consider in determining whether an insurer
334 violated its duty of good faith and in bad faith
335 failed to settle; requiring the trier of fact to be
336 informed of an excess judgment; prohibiting disclosure
337 of certain judgment information to the trier of fact;
338 limiting damages in third-party bad faith failure to
339 settle actions; providing that judgment creditors must
340 be subrogated to the rights of the insured under
341 certain circumstances; prohibiting multiple bad faith
342 remedies; amending s.



143978

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
01/26/2021	.	
	.	
	.	
	.	

The Committee on Banking and Insurance (Thurston) recommended the following:

Senate Amendment (with title amendment)

Delete lines 1677 - 1949.

===== T I T L E A M E N D M E N T =====

And the title is amended as follows:

Delete lines 92 - 160

and insert:

the term "upcoded"; amending s.

By Senator Burgess

20-00753A-21

202154__

1 A bill to be entitled
 2 An act relating to motor vehicle insurance; repealing
 3 ss. 627.730, 627.731, 627.7311, 627.732, 627.733,
 4 627.734, 627.736, 627.737, 627.739, 627.7401,
 5 627.7403, and 627.7405, F.S., which comprise the
 6 Florida Motor Vehicle No-Fault Law; repealing s.
 7 627.7407, F.S., relating to application of the Florida
 8 Motor Vehicle No-Fault Law; amending s. 316.646, F.S.;
 9 revising a requirement for proof of security on a
 10 motor vehicle and the applicability of the
 11 requirement; amending s. 318.18, F.S.; conforming a
 12 provision to changes made by the act; making technical
 13 changes; amending s. 320.02, F.S.; revising the motor
 14 vehicle insurance coverages that an applicant must
 15 show to register certain vehicles with the Department
 16 of Highway Safety and Motor Vehicles; conforming a
 17 provision to changes made by the act; revising
 18 construction; amending s. 320.0609, F.S.; conforming a
 19 provision to changes made by the act; making technical
 20 changes; amending s. 320.27, F.S.; defining the term
 21 "garage liability insurance"; revising garage
 22 liability insurance requirements for motor vehicle
 23 dealer applicants; conforming a provision to changes
 24 made by the act; amending s. 320.771, F.S.; revising
 25 garage liability insurance requirements for
 26 recreational vehicle dealer license applicants;
 27 amending ss. 322.251 and 322.34, F.S.; conforming
 28 provisions to changes made by the act; making
 29 technical changes; amending s. 324.011, F.S.; revising

Page 1 of 117

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20-00753A-21

202154__

30 legislative intent; amending s. 324.021, F.S.;
 31 revising definitions of the terms "motor vehicle" and
 32 "proof of financial responsibility"; revising minimum
 33 coverage requirements for proof of financial
 34 responsibility for specified motor vehicles; defining
 35 the term "for-hire passenger transportation vehicle";
 36 conforming provisions to changes made by the act;
 37 amending s. 324.022, F.S.; revising minimum liability
 38 coverage requirements for motor vehicle owners or
 39 operators; revising authorized methods for meeting
 40 such requirements; deleting a provision relating to an
 41 insurer's duty to defend certain claims; revising the
 42 vehicles that are excluded from the definition of the
 43 term "motor vehicle"; providing security requirements
 44 for certain excluded vehicles; conforming provisions
 45 to changes made by the act; conforming cross-
 46 references; amending s. 324.0221, F.S.; revising
 47 coverages that subject a policy to certain insurer
 48 reporting and notice requirements; conforming
 49 provisions to changes made by the act; creating s.
 50 324.0222, F.S.; providing that driver license or
 51 registration suspensions for failure to maintain
 52 required security which were in effect before a
 53 specified date remain in full force and effect;
 54 providing that such suspended licenses or
 55 registrations may be reinstated as provided in a
 56 specified section; amending s. 324.023, F.S.;
 57 conforming cross-references; making technical changes;
 58 amending s. 324.031, F.S.; specifying a method of

Page 2 of 117

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20-00753A-21

202154__

59 proving financial responsibility; revising the amount
 60 of a certificate of deposit required to elect a
 61 certain method of proof of financial responsibility;
 62 revising excess liability coverage requirements for a
 63 person electing to use such method; amending s.
 64 324.032, F.S.; revising financial responsibility
 65 requirements for owners or lessees of for-hire
 66 passenger transportation vehicles; amending ss.
 67 324.051, 324.071, and 324.091, F.S.; making technical
 68 changes; amending s. 324.151, F.S.; revising
 69 requirements for motor vehicle liability insurance
 70 policies relating to coverage, and exclusion from
 71 coverage, for certain drivers and vehicles; defining
 72 terms; conforming provisions to changes made by the
 73 act; making technical changes; amending s. 324.161,
 74 F.S.; revising requirements for a certificate of
 75 deposit that is required if a person elects a certain
 76 method of proving financial responsibility; amending
 77 s. 324.171, F.S.; revising the minimum net worth
 78 requirements to qualify certain persons as self-
 79 insurers; conforming provisions to changes made by the
 80 act; amending s. 324.251, F.S.; revising the short
 81 title and an effective date; amending s. 400.9905,
 82 F.S.; revising the definition of the term "clinic";
 83 amending ss. 400.991 and 400.9935, F.S.; conforming
 84 provisions to changes made by the act; amending s.
 85 409.901, F.S.; revising the definition of the term
 86 "third-party benefit"; amending s. 409.910, F.S.;
 87 revising the definition of the term "medical

Page 3 of 117

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20-00753A-21

202154__

88 coverage"; amending s. 456.057, F.S.; conforming a
 89 provision to changes made by the act; amending s.
 90 456.072, F.S.; revising specified grounds for
 91 discipline for certain health professions; defining
 92 the term "upcoded"; amending s. 624.155, F.S.;
 93 revising conditions for awarding punitive damages;
 94 providing that a person is not entitled to judgments
 95 under multiple bad faith remedies; creating s.
 96 624.156, F.S.; providing that the section applies in
 97 certain bad faith failure to settle actions against
 98 any insurer for a loss arising out of the ownership,
 99 maintenance, or use of a motor vehicle under specified
 100 circumstances; providing an exception; providing that
 101 insurers have a duty of good faith; defining the term
 102 "bad faith failure to settle"; specifying best
 103 practice standards for insurers upon receiving notice
 104 of a claim or a demand for settlement; specifying
 105 certain requirements for insurer communications to an
 106 insured in handling first-party and third-party
 107 claims; specifying requirements for the insurer when a
 108 loss involves multiple claimants under certain
 109 conditions; specifying conditions precedent for
 110 claimants filing bad faith failure to settle actions
 111 except those actions filed under a specified section;
 112 specifying requirements for information that must be
 113 included in a demand for settlement; requiring a
 114 demand for settlement to release the insured from
 115 liability under certain conditions; requiring the
 116 demand for settlement be served upon the insurer at

Page 4 of 117

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20-00753A-21

202154__

117 the address designated with the Department of
 118 Financial Services; prohibiting claimants from placing
 119 conditions on acceptance of a demand for settlement
 120 other than electing the right to examine the insured
 121 under oath regarding certain information; authorizing
 122 claimants to examine insureds under oath under certain
 123 conditions; authorizing the claimant to request the
 124 insured bring relevant documents to the examination
 125 under oath; prohibiting the claimant from examining
 126 the insured under oath regarding liability; requiring
 127 the claimant, insurer, and insured to cooperate in
 128 scheduling the examination under oath; specifying the
 129 timeframe within which the examination must take
 130 place; authorizing the claimant to withdraw the demand
 131 for settlement if the insured refuses to submit to an
 132 examination under oath; authorizing an insurer to
 133 accept a demand for settlement if the insured refuses
 134 to submit to an examination under oath; absolving an
 135 insurer of a duty to defend and of liability under
 136 certain circumstances; specifying the timeframe within
 137 which a claimant may withdraw a demand for settlement;
 138 specifying that an insurer's duty of good faith
 139 continues unless a claimant's withdrawal of a demand
 140 for settlement occurs under certain conditions;
 141 providing that insurers may not be held liable in a
 142 bad faith failure to settle action if they tender
 143 policy limits within a certain timeframe; specifying
 144 that insurers that accept demands for settlement are
 145 entitled to releases of their insureds; providing an

Page 5 of 117

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20-00753A-21

202154__

146 exception; requiring claimants to prove in any bad
 147 faith failure to settle action by a preponderance of
 148 the evidence that the insurer violated its duty of
 149 good faith and in bad faith failed to settle;
 150 specifying factors for the trier of fact to consider
 151 in determining whether an insurer violated its duty of
 152 good faith and in bad faith failed to settle;
 153 requiring the trier of fact to be informed of an
 154 excess judgment; prohibiting disclosure of certain
 155 judgment information to the trier of fact; limiting
 156 damages in bad faith failure to settle actions;
 157 providing that judgment creditors must be subrogated
 158 to the rights of the insured under certain
 159 circumstances; prohibiting multiple bad faith
 160 remedies; providing applicability; amending s.
 161 626.9541, F.S.; conforming a provision to changes made
 162 by the act; revising the type of insurance coverage
 163 applicable to a certain prohibited act; amending s.
 164 626.989, F.S.; revising the definition of the term
 165 "fraudulent insurance act"; amending s. 627.06501,
 166 F.S.; revising coverages that may provide for a
 167 reduction in motor vehicle insurance policy premium
 168 charges under certain circumstances; amending s.
 169 627.0651, F.S.; specifying requirements for initial
 170 rate filings for motor vehicle liability policies
 171 submitted to the Office of Insurance Regulation
 172 beginning on a specified date; amending s. 627.0652,
 173 F.S.; revising coverages that must provide a premium
 174 charge reduction under certain circumstances; amending

Page 6 of 117

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20-00753A-21

202154__

175 s. 627.0653, F.S.; revising coverages subject to
 176 premium discounts for specified motor vehicle
 177 equipment; amending s. 627.4132, F.S.; revising
 178 coverages that are subject to a stacking prohibition;
 179 amending s. 627.4137, F.S.; requiring that insurers
 180 disclose certain information at the request of a
 181 claimant's attorney; authorizing a claimant to file an
 182 action under certain circumstances; providing for the
 183 award of reasonable attorney fees and costs under
 184 certain circumstances; amending s. 627.7263, F.S.;
 185 revising coverages that are deemed primary, except
 186 under certain circumstances, for the lessor of a motor
 187 vehicle for lease or rent; revising a notice that is
 188 required if the lessee's coverage is to be primary;
 189 creating s. 627.7265, F.S.; specifying persons whom
 190 medical payments coverage must protect; requiring
 191 medical payments coverage to cover reasonable expenses
 192 for certain medical services provided by specified
 193 providers and facilities and to provide a death
 194 benefit; specifying the minimum medical expense and
 195 death benefit limits; specifying coverage options an
 196 insurer is required or authorized to offer; providing
 197 construction relating to limits on certain other
 198 coverages; requiring insurers, upon receiving certain
 199 notice of an accident, to hold a specified reserve for
 200 certain purposes for a certain timeframe; providing
 201 that the reserve requirement does not require insurers
 202 to establish a claim reserve for accounting purposes;
 203 specifying that an insurer providing medical payments

20-00753A-21

202154__

204 coverage benefits may not seek a lien on a certain
 205 recovery and may not bring a certain cause of action;
 206 authorizing insurers to include policy provisions
 207 allowing for subrogation, under certain circumstances,
 208 for medical payments benefits paid; providing
 209 construction; specifying a requirement for an insured
 210 for repayment of medical payments benefits under
 211 certain circumstances; prohibiting insurers from
 212 including policy provisions allowing for subrogation
 213 for death benefits paid; amending s. 627.727, F.S.;
 214 revising the legal liability of an uninsured motorist
 215 coverage insurer; conforming provisions to changes
 216 made by the act; amending s. 627.7275, F.S.; revising
 217 required coverages for a motor vehicle insurance
 218 policy; conforming provisions to changes made by the
 219 act; creating s. 627.7278, F.S.; defining the term
 220 "minimum security requirements"; providing
 221 requirements, applicability, and construction relating
 222 to motor vehicle insurance policies as of a certain
 223 date; requiring insurers to allow certain insureds to
 224 make certain coverage changes, subject to certain
 225 conditions; requiring an insurer to provide, by a
 226 specified date, a specified notice to policyholders
 227 relating to requirements under the act; amending s.
 228 627.728, F.S.; conforming a provision to changes made
 229 by the act; making technical changes; amending s.
 230 627.7295, F.S.; revising the definitions of the terms
 231 "policy" and "binder"; revising the coverages of a
 232 motor vehicle insurance policy for which a licensed

20-00753A-21

202154__

233 general lines agent may charge a specified fee;
 234 conforming provisions to changes made by the act;
 235 amending s. 627.7415, F.S.; revising additional
 236 liability insurance requirements for commercial motor
 237 vehicles; creating s. 627.747, F.S.; providing that
 238 private passenger motor vehicle policies may exclude
 239 certain identified individuals from specified
 240 coverages under certain circumstances; providing that
 241 such policies may not exclude coverage under certain
 242 circumstances; amending s. 627.748, F.S.; revising
 243 insurance requirements for transportation network
 244 company drivers; conforming provisions to changes made
 245 by the act; amending s. 627.749, F.S.; conforming a
 246 provision to changes made by the act; amending s.
 247 627.8405, F.S.; revising coverages in a policy sold in
 248 combination with an accidental death and dismemberment
 249 policy which a premium finance company may not
 250 finance; revising rulemaking authority of the
 251 Financial Services Commission; amending ss. 627.915,
 252 628.909, 705.184, and 713.78, F.S.; conforming
 253 provisions to changes made by the act; making
 254 technical changes; amending s. 817.234, F.S.; revising
 255 coverages that are the basis of specified prohibited
 256 false and fraudulent insurance claims; conforming
 257 provisions to changes made by the act; providing an
 258 appropriation; providing effective dates.

259
 260 Be It Enacted by the Legislature of the State of Florida:
 261

Page 9 of 117

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20-00753A-21

202154__

262 Section 1. Sections 627.730, 627.731, 627.7311, 627.732,
 263 627.733, 627.734, 627.736, 627.737, 627.739, 627.7401, 627.7403,
 264 and 627.7405, Florida Statutes, are repealed.

265 Section 2. Section 627.7407, Florida Statutes, is repealed.

266 Section 3. Subsection (1) of section 316.646, Florida
 267 Statutes, is amended to read:

268 316.646 Security required; proof of security and display
 269 thereof.—

270 (1) Any person required by s. 324.022 to maintain liability
 271 security for property damage, liability security, ~~required by s.~~
 272 ~~324.023 to maintain liability security for~~ bodily injury, or
 273 ~~death, or required by s. 627.733 to maintain personal injury~~
 274 ~~protection security on a motor vehicle~~ shall have in his or her
 275 immediate possession at all times while operating such motor
 276 vehicle proper proof of maintenance of the ~~required~~ security
 277 required under s. 324.021(7).

278 (a) Such proof must ~~shall~~ be in a uniform paper or
 279 electronic format, as prescribed by the department, a valid
 280 insurance policy, an insurance policy binder, a certificate of
 281 insurance, or such other proof as may be prescribed by the
 282 department.

283 (b)1. The act of presenting to a law enforcement officer an
 284 electronic device displaying proof of insurance in an electronic
 285 format does not constitute consent for the officer to access any
 286 information on the device other than the displayed proof of
 287 insurance.

288 2. The person who presents the device to the officer
 289 assumes the liability for any resulting damage to the device.

290 Section 4. Paragraph (b) of subsection (2) of section

Page 10 of 117

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20-00753A-21

202154__

291 318.18, Florida Statutes, is amended to read:

292 318.18 Amount of penalties.—The penalties required for a
293 noncriminal disposition pursuant to s. 318.14 or a criminal
294 offense listed in s. 318.17 are as follows:

295 (2) Thirty dollars for all nonmoving traffic violations
296 and:

297 (b) For all violations of ss. 320.0605, 320.07(1), 322.065,
298 and 322.15(1). ~~A~~ Any person who is cited for a violation of s.
299 320.07(1) shall be charged a delinquent fee pursuant to s.
300 320.07(4).

301 1. If a person who is cited for a violation of s. 320.0605
302 or s. 320.07 can show proof of having a valid registration at
303 the time of arrest, the clerk of the court may dismiss the case
304 and may assess a dismissal fee of up to \$10, from which the
305 clerk shall remit \$2.50 to the Department of Revenue for deposit
306 into the General Revenue Fund. A person who finds it impossible
307 or impractical to obtain a valid registration certificate must
308 submit an affidavit detailing the reasons for the impossibility
309 or impracticality. The reasons may include, but are not limited
310 to, the fact that the vehicle was sold, stolen, or destroyed;
311 that the state in which the vehicle is registered does not issue
312 a certificate of registration; or that the vehicle is owned by
313 another person.

314 2. If a person who is cited for a violation of s. 322.03,
315 s. 322.065, or s. 322.15 can show a driver license issued to him
316 or her and valid at the time of arrest, the clerk of the court
317 may dismiss the case and may assess a dismissal fee of up to
318 \$10, from which the clerk shall remit \$2.50 to the Department of
319 Revenue for deposit into the General Revenue Fund.

Page 11 of 117

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20-00753A-21

202154__

320 3. If a person who is cited for a violation of s. 316.646
321 can show proof of security as required by s. 324.021(7) ~~or~~
322 ~~627.733~~, issued to the person and valid at the time of arrest,
323 the clerk of the court may dismiss the case and may assess a
324 dismissal fee of up to \$10, from which the clerk shall remit
325 \$2.50 to the Department of Revenue for deposit into the General
326 Revenue Fund. A person who finds it impossible or impractical to
327 obtain proof of security must submit an affidavit detailing the
328 reasons for the impracticality. The reasons may include, but are
329 not limited to, the fact that the vehicle has since been sold,
330 stolen, or destroyed; ~~that the owner or registrant of the~~
331 ~~vehicle is not required by s. 627.733 to maintain personal~~
332 ~~injury protection insurance;~~ or that the vehicle is owned by
333 another person.

334 Section 5. Paragraphs (a) and (d) of subsection (5) of
335 section 320.02, Florida Statutes, are amended to read:

336 320.02 Registration required; application for registration;
337 forms.—

338 (5) (a) Proof that bodily injury liability coverage and
339 property damage liability coverage ~~personal injury protection~~
340 ~~benefits~~ have been purchased if required under s. 324.022, s.
341 324.032, or s. 627.742 ~~s. 627.733~~, ~~that property damage~~
342 ~~liability coverage has been purchased as required under s.~~
343 ~~324.022~~, that bodily injury liability ~~or death~~ coverage has been
344 purchased if required under s. 324.023, and that combined bodily
345 liability insurance and property damage liability insurance have
346 been purchased if required under s. 627.7415 must ~~shall~~ be
347 provided in the manner prescribed by law by the applicant at the
348 time of application for registration of any motor vehicle that

Page 12 of 117

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20-00753A-21

202154__

349 is subject to such requirements. The issuing agent may not ~~shall~~
 350 ~~refuse to~~ issue registration if such proof of purchase is not
 351 provided. Insurers shall furnish uniform proof-of-purchase cards
 352 in a paper or electronic format in a form prescribed by the
 353 department and include the name of the insured's insurance
 354 company, the coverage identification number, and the make, year,
 355 and vehicle identification number of the vehicle insured. The
 356 card must contain a statement notifying the applicant of the
 357 penalty specified under s. 316.646(4). The card or insurance
 358 policy, insurance policy binder, or certificate of insurance or
 359 a photocopy of any of these; an affidavit containing the name of
 360 the insured's insurance company, the insured's policy number,
 361 and the make and year of the vehicle insured; or such other
 362 proof as may be prescribed by the department constitutes ~~shall~~
 363 ~~constitute~~ sufficient proof of purchase. If an affidavit is
 364 provided as proof, it must be in substantially the following
 365 form:

366
 367 Under penalty of perjury, I ...(Name of insured)... do hereby
 368 certify that I have ...(bodily injury liability and Personal
 369 ~~Injury Protection~~, property damage liability, and, if required,
 370 ~~Bodily Injury Liability~~)... insurance currently in effect with
 371 ...(Name of insurance company)... under ...(policy number)...
 372 covering ...(make, year, and vehicle identification number of
 373 vehicle).... ...(Signature of Insured)...

374
 375 Such affidavit must include the following warning:

376
 377 WARNING: GIVING FALSE INFORMATION IN ORDER TO OBTAIN A VEHICLE

Page 13 of 117

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20-00753A-21

202154__

378 REGISTRATION CERTIFICATE IS A CRIMINAL OFFENSE UNDER FLORIDA
 379 LAW. ANYONE GIVING FALSE INFORMATION ON THIS AFFIDAVIT IS
 380 SUBJECT TO PROSECUTION.
 381

382 If an application is made through a licensed motor vehicle
 383 dealer as required under s. 319.23, the original or a photocopy
 384 ~~photostatic copy~~ of such card, insurance policy, insurance
 385 policy binder, or certificate of insurance or the original
 386 affidavit from the insured must ~~shall~~ be forwarded by the dealer
 387 to the tax collector of the county or the Department of Highway
 388 Safety and Motor Vehicles for processing. By executing the
 389 ~~aforsaid~~ affidavit, a ~~no~~ licensed motor vehicle dealer is not
 390 ~~will be~~ liable in damages for any inadequacy, insufficiency, or
 391 falsification of any statement contained therein. ~~A card must~~
 392 ~~also indicate the existence of any bodily injury liability~~
 393 ~~insurance voluntarily purchased.~~

394 (d) The verifying of ~~proof of personal injury protection~~
 395 ~~insurance, proof of property damage liability insurance, proof~~
 396 ~~of combined bodily liability insurance and property damage~~
 397 ~~liability insurance, or~~ proof of financial responsibility
 398 ~~insurance~~ and the issuance or failure to issue the motor vehicle
 399 registration under ~~the provisions of~~ this chapter may not be
 400 construed in any court as a warranty of the reliability or
 401 accuracy of the evidence of such proof, or as meaning that the
 402 provisions of any insurance policy furnished as proof of
 403 financial responsibility comply with state law. Neither the
 404 department nor any tax collector is liable in damages for any
 405 inadequacy, insufficiency, falsification, or unauthorized
 406 modification of any item of ~~the proof of personal injury~~

Page 14 of 117

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20-00753A-21

202154__

407 ~~protection insurance, proof of property damage liability~~
 408 ~~insurance, proof of combined bodily liability insurance and~~
 409 ~~property damage liability insurance, or proof of financial~~
 410 ~~responsibility before insurance prior to, during, or subsequent~~
 411 ~~to the verification of the proof. The issuance of a motor~~
 412 ~~vehicle registration does not constitute prima facie evidence or~~
 413 ~~a presumption of insurance coverage.~~

414 Section 6. Paragraph (b) of subsection (1) of section
 415 320.0609, Florida Statutes, is amended to read:

416 320.0609 Transfer and exchange of registration license
 417 plates; transfer fee.—

418 (1)

419 (b) The transfer of a license plate from a vehicle disposed
 420 of to a newly acquired vehicle does not constitute a new
 421 registration. The application for transfer must ~~shall~~ be
 422 accepted without requiring proof of ~~personal injury protection~~
 423 ~~or~~ liability insurance.

424 Section 7. Subsection (3) of section 320.27, Florida
 425 Statutes, is amended, and paragraph (g) is added to subsection
 426 (1) of that section, to read:

427 320.27 Motor vehicle dealers.—

428 (1) DEFINITIONS.—The following words, terms, and phrases
 429 when used in this section have the meanings respectively
 430 ascribed to them in this subsection, except where the context
 431 clearly indicates a different meaning:

432 (g) "Garage liability insurance" means, beginning January
 433 1, 2022, combined single-limit liability coverage, including
 434 property damage and bodily injury liability coverage, in the
 435 amount of at least \$60,000.

Page 15 of 117

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20-00753A-21

202154__

436 (3) APPLICATION AND FEE.—~~The application for the license~~
 437 application must ~~shall~~ be in such form as may be prescribed by
 438 the department and ~~is shall~~ be subject to such rules with
 439 ~~respect thereto~~ as may be so prescribed by the department ~~it~~.
 440 Such application must ~~shall~~ be verified by oath or affirmation
 441 and must ~~shall~~ contain a full statement of the name and birth
 442 date of the person or persons applying for the license ~~therefor~~;
 443 the name of the firm or copartnership, with the names and places
 444 of residence of all members ~~thereof~~, if such applicant is a firm
 445 or copartnership; the names and places of residence of the
 446 principal officers, if the applicant is a body corporate or
 447 other artificial body; the name of the state under whose laws
 448 the corporation is organized; the present and former place or
 449 places of residence of the applicant; and the ~~the~~ prior business in
 450 which the applicant has been engaged and its ~~the~~ location
 451 ~~thereof~~. ~~The~~ ~~Such~~ application must ~~shall~~ describe the exact
 452 location of the place of business and must ~~shall~~ state whether
 453 the place of business is owned by the applicant and when
 454 acquired, or, if leased, a true copy of the lease must ~~shall~~ be
 455 attached to the application. The applicant shall certify that
 456 the location provides an adequately equipped office and is not a
 457 residence; that the location affords sufficient unoccupied space
 458 upon and within which adequately to store all motor vehicles
 459 offered and displayed for sale; and that the location is a
 460 suitable place where the applicant can in good faith carry on
 461 such business and keep and maintain books, records, and files
 462 necessary to conduct such business, which must ~~shall~~ be
 463 available at all reasonable hours to inspection by the
 464 department or any of its inspectors or other employees. The

Page 16 of 117

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20-00753A-21 202154__

465 applicant shall certify that the business of a motor vehicle
 466 dealer is the principal business ~~that will which shall~~ be
 467 conducted at that location. The application ~~must shall~~ contain a
 468 statement that the applicant is either franchised by a
 469 manufacturer of motor vehicles, in which case the name of each
 470 motor vehicle that the applicant is franchised to sell must
 471 ~~shall~~ be included, or an independent (nonfranchised) motor
 472 vehicle dealer. The application must shall contain other
 473 relevant information as may be required by the department. The
 474 applicant shall furnish, including evidence, in a form approved
 475 by the department, that the applicant is insured under a garage
 476 liability insurance policy or a general liability insurance
 477 policy coupled with a business automobile policy having the
 478 coverages and limits of the garage liability insurance coverage
 479 in accordance with paragraph (1)(g), which shall include, at a
 480 minimum, \$25,000 combined single-limit liability coverage
 481 including bodily injury and property damage protection and
 482 \$10,000 personal injury protection. However, a salvage motor
 483 vehicle dealer as defined in subparagraph (1)(c)5. is exempt
 484 from the requirements for garage liability insurance ~~and~~
 485 ~~personal injury protection insurance~~ on those vehicles that
 486 cannot be legally operated on roads, highways, or streets in
 487 this state. Franchise dealers must submit a garage liability
 488 insurance policy, and all other dealers must submit a garage
 489 liability insurance policy or a general liability insurance
 490 policy coupled with a business automobile policy. Such policy
 491 ~~must shall~~ be for the license period, and evidence of a new or
 492 continued policy ~~must shall~~ be delivered to the department at
 493 the beginning of each license period. Upon making an initial

Page 17 of 117

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20-00753A-21 202154__

494 application, the applicant shall pay to the department a fee of
 495 \$300 in addition to any other fees required by law. Applicants
 496 may choose to extend the licensure period for 1 additional year
 497 for a total of 2 years. An initial applicant shall pay to the
 498 department a fee of \$300 for the first year and \$75 for the
 499 second year, in addition to any other fees required by law. An
 500 applicant for renewal shall pay to the department \$75 for a 1-
 501 year renewal or \$150 for a 2-year renewal, in addition to any
 502 other fees required by law. Upon making an application for a
 503 change of location, the applicant person shall pay a fee of \$50
 504 in addition to any other fees now required by law. The
 505 department shall, in the case of every application for initial
 506 licensure, verify whether certain facts set forth in the
 507 application are true. Each applicant, general partner in the
 508 case of a partnership, or corporate officer and director in the
 509 case of a corporate applicant ~~shall, must~~ file a set of
 510 fingerprints with the department for the purpose of determining
 511 any prior criminal record or any outstanding warrants. The
 512 department shall submit the fingerprints to the Department of
 513 Law Enforcement for state processing and forwarding to the
 514 Federal Bureau of Investigation for federal processing. The
 515 actual cost of state and federal processing ~~must shall~~ be borne
 516 by the applicant and is in addition to the fee for licensure.
 517 The department may issue a license to an applicant pending the
 518 results of the fingerprint investigation, which license is fully
 519 revocable if the department subsequently determines that any
 520 facts set forth in the application are not true or correctly
 521 represented.

Section 8. Paragraph (j) of subsection (3) of section

Page 18 of 117

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20-00753A-21

202154__

523 320.771, Florida Statutes, is amended to read:

524 320.771 License required of recreational vehicle dealers.-

525 (3) APPLICATION.-The application for such license shall be
526 in the form prescribed by the department and subject to such
527 rules as may be prescribed by it. The application shall be
528 verified by oath or affirmation and shall contain:

529 (j) A statement that the applicant is insured under a
530 garage liability insurance policy in accordance with s.
531 320.27(1)(g), which shall include, at a minimum, \$25,000
532 combined single-limit liability coverage, including bodily
533 injury and property damage protection, and \$10,000 personal
534 injury protection, if the applicant is to be licensed as a
535 dealer in, or intends to sell, recreational vehicles. However, a
536 garage liability policy is not required for the licensure of a
537 mobile home dealer who sells only park trailers.

538

539 The department shall, if it deems necessary, cause an
540 investigation to be made to ascertain if the facts set forth in
541 the application are true and may shall not issue a license to
542 the applicant until it is satisfied that the facts set forth in
543 the application are true.

544 Section 9. Subsections (1) and (2) of section 322.251,
545 Florida Statutes, are amended to read:

546 322.251 Notice of cancellation, suspension, revocation, or
547 disqualification of license.-

548 (1) All orders of cancellation, suspension, revocation, or
549 disqualification issued under ~~the provisions of this chapter,~~
550 chapter 318, or chapter 324 must, ~~or ss. 627.732-627.734 shall~~
551 be given either by personal delivery thereof to the licensee

Page 19 of 117

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20-00753A-21

202154__

552 whose license is being canceled, suspended, revoked, or
553 disqualified or by deposit in the United States mail in an
554 envelope, first class, postage prepaid, addressed to the
555 licensee at his or her last known mailing address furnished to
556 the department. Such mailing by the department constitutes
557 notification, and any failure by the person to receive the
558 mailed order will not affect or stay the effective date or term
559 of the cancellation, suspension, revocation, or disqualification
560 of the licensee's driving privilege.

561 (2) The giving of notice and an order of cancellation,
562 suspension, revocation, or disqualification by mail is complete
563 upon expiration of 20 days after deposit in the United States
564 mail for all notices except those issued under chapter 324 ~~or~~
565 ~~ss. 627.732-627.734,~~ which are complete 15 days after deposit in
566 the United States mail. Proof of the giving of notice and an
567 order of cancellation, suspension, revocation, or
568 disqualification in either manner must shall be made by entry in
569 the records of the department that such notice was given. The
570 entry is admissible in the courts of this state and constitutes
571 sufficient proof that such notice was given.

572 Section 10. Paragraph (a) of subsection (8) of section
573 322.34, Florida Statutes, is amended to read:

574 322.34 Driving while license suspended, revoked, canceled,
575 or disqualified.-

576 (8) (a) Upon the arrest of a person for the offense of
577 driving while the person's driver license or driving privilege
578 is suspended or revoked, the arresting officer shall determine:

579 1. Whether the person's driver license is suspended or
580 revoked, or the person is under suspension or revocation

Page 20 of 117

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20-00753A-21

202154__

581 equivalent status.

582 2. Whether the person's driver license has remained
583 suspended or revoked, or the person has been under suspension or
584 revocation equivalent status, since a conviction for the offense
585 of driving with a suspended or revoked license.

586 3. Whether the suspension, revocation, or suspension or
587 revocation equivalent status was made under s. 316.646 ~~or s.~~
588 ~~627.733~~, relating to failure to maintain required security, or
589 under s. 322.264, relating to habitual traffic offenders.

590 4. Whether the driver is the registered owner or co-owner
591 of the vehicle.

592 Section 11. Section 324.011, Florida Statutes, is amended
593 to read:

594 324.011 Legislative intent; purpose of chapter.—It is the
595 intent of the Legislature that this chapter ensure that the
596 privilege of owning or operating a motor vehicle in this state
597 be exercised to recognize the existing privilege to own or
598 operate a motor vehicle on the public streets and highways of
599 this state when such vehicles are used with due consideration
600 for others' safety ~~others~~ and ~~their~~ property, promoting and to
601 promote safety, and providing provide financial security
602 requirements for ~~such~~ owners and ~~or~~ operators whose
603 responsibility it is to recompense others for injury to person
604 or property caused by the operation of a motor vehicle.
605 Therefore, the purpose of this chapter is to require that every
606 owner or operator of a motor vehicle required to be registered
607 in this state establish, maintain, and it is required herein
608 that the operator of a motor vehicle involved in a crash or
609 convicted of certain traffic offenses meeting the operative

Page 21 of 117

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20-00753A-21

202154__

610 ~~provisions of s. 324.051(2) shall respond for such damages and~~
611 ~~show proof of financial ability to respond for damages arising~~
612 ~~out of the ownership, maintenance, or use of a motor vehicle in~~
613 ~~future accidents as a requisite to owning or operating a motor~~
614 ~~vehicle in this state his or her future exercise of such~~
615 ~~privileges.~~

616 Section 12. Subsections (1) and (7) and paragraph (c) of
617 subsection (9) of section 324.021, Florida Statutes, are
618 amended, and subsection (12) is added to that section, to read:

619 324.021 Definitions; minimum insurance required.—The
620 following words and phrases when used in this chapter shall, for
621 the purpose of this chapter, have the meanings respectively
622 ascribed to them in this section, except in those instances
623 where the context clearly indicates a different meaning:

624 (1) MOTOR VEHICLE.—Every self-propelled vehicle that is
625 designed and required to be licensed for use upon a highway,
626 including trailers and semitrailers designed for use with such
627 vehicles, except traction engines, road rollers, farm tractors,
628 power shovels, and well drillers, and every vehicle that is
629 propelled by electric power obtained from overhead wires but not
630 operated upon rails, but not including any personal delivery
631 device or mobile carrier as defined in s. 316.003, bicycle,
632 electric bicycle, or moped. ~~However, the term "motor vehicle"~~
633 ~~does not include a motor vehicle as defined in s. 627.732(3)~~
634 ~~when the owner of such vehicle has complied with the~~
635 ~~requirements of ss. 627.730-627.7405, inclusive, unless the~~
636 ~~provisions of s. 324.051 apply; and, in such case, the~~
637 ~~applicable proof of insurance provisions of s. 320.02 apply.~~

638 (7) PROOF OF FINANCIAL RESPONSIBILITY.—Beginning January 1,

Page 22 of 117

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20-00753A-21

202154__

639 ~~2022, That~~ proof of ability to respond in damages for liability
 640 on account of crashes arising out of the ownership, maintenance,
 641 or use of a motor vehicle:

642 (a) With respect to a motor vehicle other than a commercial
 643 motor vehicle, nonpublic sector bus, or for-hire passenger
 644 transportation vehicle, in the amount of:

645 1. Twenty-five thousand dollars for \$10,000 because of
 646 bodily injury to, or the death of, one person in any one crash
 647 and,

648 ~~(b)~~ subject to such limits for one person, in the amount of
 649 \$50,000 for \$20,000 because of bodily injury to, or the death
 650 of, two or more persons in any one crash; and

651 2. ~~(c)~~ Ten thousand dollars for damage in the amount of
 652 \$10,000 because of injury to, or destruction of, property of
 653 others in any one crash. ~~and~~

654 ~~(b)(d)~~ With respect to commercial motor vehicles ~~and~~
 655 ~~nonpublic sector buses,~~ in the amounts specified in s. 627.7415
 656 ~~ss. 627.7415 and 627.742, respectively.~~

657 (c) With respect to nonpublic sector buses, in the amounts
 658 specified in s. 627.742.

659 (d) With respect to for-hire passenger transportation
 660 vehicles, in the amounts specified in s. 324.032.

661 (9) OWNER; OWNER/LESSOR.—

662 (c) *Application.*—

663 1. The limits on liability in subparagraphs (b)2. and 3. do
 664 not apply to an owner of motor vehicles that are used for
 665 commercial activity in the owner's ordinary course of business,
 666 other than a rental company that rents or leases motor vehicles.
 667 For purposes of this paragraph, the term "rental company"

20-00753A-21

202154__

668 includes only an entity that is engaged in the business of
 669 renting or leasing motor vehicles to the general public and that
 670 rents or leases a majority of its motor vehicles to persons with
 671 no direct or indirect affiliation with the rental company. The
 672 term "rental company" also includes:

673 a. A related rental or leasing company that is a subsidiary
 674 of the same parent company as that of the renting or leasing
 675 company that rented or leased the vehicle.

676 b. The holder of a motor vehicle title or an equity
 677 interest in a motor vehicle title if the title or equity
 678 interest is held pursuant to or to facilitate an asset-backed
 679 securitization of a fleet of motor vehicles used solely in the
 680 business of renting or leasing motor vehicles to the general
 681 public and under the dominion and control of a rental company,
 682 as described in this subparagraph, in the operation of such
 683 rental company's business.

684 2. Furthermore, with respect to commercial motor vehicles
 685 as defined in s. 207.002 or s. 320.01 ~~s. 627.732,~~ the limits on
 686 liability in subparagraphs (b)2. and 3. do not apply if, at the
 687 time of the incident, the commercial motor vehicle is being used
 688 in the transportation of materials found to be hazardous for the
 689 purposes of the Hazardous Materials Transportation Authorization
 690 Act of 1994, as amended, 49 U.S.C. ss. 5101 et seq., and that is
 691 required pursuant to such act to carry placards warning others
 692 of the hazardous cargo, unless at the time of lease or rental
 693 either:

694 a. The lessee indicates in writing that the vehicle will
 695 not be used to transport materials found to be hazardous for the
 696 purposes of the Hazardous Materials Transportation Authorization

20-00753A-21

202154__

697 Act of 1994, as amended, 49 U.S.C. ss. 5101 et seq.; or
 698 b. The lessee or other operator of the commercial motor
 699 vehicle has in effect insurance with limits of at least \$5
 700 million ~~\$5,000,000~~ combined property damage and bodily injury
 701 liability.
 702 3.a. A motor vehicle dealer, or a motor vehicle dealer's
 703 leasing or rental affiliate, that provides a temporary
 704 replacement vehicle at no charge or at a reasonable daily charge
 705 to a service customer whose vehicle is being held for repair,
 706 service, or adjustment by the motor vehicle dealer is immune
 707 from any cause of action and is not liable, vicariously or
 708 directly, under general law solely by reason of being the owner
 709 of the temporary replacement vehicle for harm to persons or
 710 property that arises out of the use, or operation, of the
 711 temporary replacement vehicle by any person during the period
 712 the temporary replacement vehicle has been entrusted to the
 713 motor vehicle dealer's service customer if there is no
 714 negligence or criminal wrongdoing on the part of the motor
 715 vehicle owner, or its leasing or rental affiliate.
 716 b. For purposes of this section, and notwithstanding any
 717 other provision of general law, a motor vehicle dealer, or a
 718 motor vehicle dealer's leasing or rental affiliate, that gives
 719 possession, control, or use of a temporary replacement vehicle
 720 to a motor vehicle dealer's service customer may not be adjudged
 721 liable in a civil proceeding absent negligence or criminal
 722 wrongdoing on the part of the motor vehicle dealer, or the motor
 723 vehicle dealer's leasing or rental affiliate, if the motor
 724 vehicle dealer or the motor vehicle dealer's leasing or rental
 725 affiliate executes a written rental or use agreement and obtains

Page 25 of 117

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20-00753A-21

202154__

726 from the person receiving the temporary replacement vehicle a
 727 copy of the person's driver license and insurance information
 728 reflecting at least the minimum motor vehicle insurance coverage
 729 required in the state. Any subsequent determination that the
 730 driver license or insurance information provided to the motor
 731 vehicle dealer, or the motor vehicle dealer's leasing or rental
 732 affiliate, was in any way false, fraudulent, misleading,
 733 nonexistent, canceled, not in effect, or invalid does not alter
 734 or diminish the protections provided by this section, unless the
 735 motor vehicle dealer, or the motor vehicle dealer's leasing or
 736 rental affiliate, had actual knowledge thereof at the time
 737 possession of the temporary replacement vehicle was provided.
 738 c. For purposes of this subparagraph, the term "service
 739 customer" does not include an agent or a principal of a motor
 740 vehicle dealer or a motor vehicle dealer's leasing or rental
 741 affiliate, and does not include an employee of a motor vehicle
 742 dealer or a motor vehicle dealer's leasing or rental affiliate
 743 unless the employee was provided a temporary replacement
 744 vehicle:
 745 (I) While the employee's personal vehicle was being held
 746 for repair, service, or adjustment by the motor vehicle dealer;
 747 (II) In the same manner as other customers who are provided
 748 a temporary replacement vehicle while the customer's vehicle is
 749 being held for repair, service, or adjustment; and
 750 (III) The employee was not acting within the course and
 751 scope of their employment.
 752 (12) FOR-HIRE PASSENGER TRANSPORTATION VEHICLE.—Every for-
 753 hire vehicle as defined in s. 320.01(15) which is offered or
 754 used to provide transportation for persons, including taxicabs,

Page 26 of 117

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20-00753A-21

202154__

755 limousines, and jitneys.756 Section 13. Section 324.022, Florida Statutes, is amended
757 to read:758 324.022 Financial responsibility requirements ~~for property~~
759 ~~damage.~~760 (1) (a) Beginning January 1, 2022, every owner or operator
761 of a motor vehicle required to be registered in this state shall
762 establish and continuously maintain the ability to respond in
763 damages for liability on account of accidents arising out of the
764 use of the motor vehicle in the amount of:765 1. Twenty-five thousand dollars for bodily injury to, or
766 the death of, one person in any one crash and, subject to such
767 limits for one person, in the amount of \$50,000 for bodily
768 injury to, or the death of, two or more persons in any one
769 crash; and770 2. Ten thousand dollars for \$10,000 because of damage to,
771 or destruction of, property of others in any one crash.772 (b) The requirements of paragraph (a) this section may be
773 met by one of the methods established in s. 324.031; by self-
774 insuring as authorized by s. 768.28(16); or by maintaining a
775 motor vehicle liability insurance policy that an insurancee
776 policy providing coverage for property damage liability in the
777 amount of at least \$10,000 because of damage to, or destruction
778 of, property of others in any one accident arising out of the
779 use of the motor vehicle. The requirements of this section may
780 also be met by having a policy which provides combined property
781 damage liability and bodily injury liability coverage for any
782 one crash arising out of the ownership, maintenance, or use of a
783 motor vehicle and that conforms to the requirements of s.

Page 27 of 117

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20-00753A-21

202154__

784 324.151 in the amount of at least \$60,000 for every owner or
785 operator subject to the financial responsibility required in
786 paragraph (a) \$30,000 for combined property damage liability and
787 bodily injury liability for any one crash arising out of the use
788 of the motor vehicle. The policy, with respect to coverage for
789 property damage liability, must meet the applicable requirements
790 of s. 324.151, subject to the usual policy exclusions that have
791 been approved in policy forms by the Office of Insurance
792 Regulation. No insurer shall have any duty to defend uncovered
793 claims irrespective of their joinder with covered claims.

794 (2) As used in this section, the term:

795 (a) "Motor vehicle" means any self-propelled vehicle that
796 has four or more wheels and that is of a type designed and
797 required to be licensed for use on the highways of this state,
798 and any trailer or semitrailer designed for use with such
799 vehicle. The term does not include the following:

- 800 1. A mobile home
- as defined in s. 320.01.
-
- 801 2. A motor vehicle that is used in mass transit and
-
- 802 designed to transport more than five passengers, exclusive of
-
- 803 the operator of the motor vehicle, and that is owned by a
-
- 804 municipality, transit authority, or political subdivision of the
-
- 805 state.
-
- 806 3. A school bus as defined in s. 1006.25,
- which must
-
- 807
- maintain security as required under s. 316.615.
-
- 808 4.
- A commercial motor vehicle as defined in s. 207.002 or
-
- 809
- s. 320.01, which must maintain security as required under ss.
-
- 810
- 324.031 and 627.7415.
-
- 811 5.
- A nonpublic sector bus, which must maintain security as
-
- 812
- required under ss. 324.031 and 627.742.

Page 28 of 117

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20-00753A-21

202154__

813 ~~6.4-~~ A vehicle providing for-hire passenger transportation
 814 vehicle, which must that is subject to the provisions of s.
 815 ~~324.031~~. A taxicab shall maintain security as required under s.
 816 ~~324.032~~ s. ~~324.032(1)~~.

817 ~~7.5-~~ A personal delivery device as defined in s. 316.003.

818 (b) "Owner" means the person who holds legal title to a
 819 motor vehicle or the debtor or lessee who has the right to
 820 possession of a motor vehicle that is the subject of a security
 821 agreement or lease with an option to purchase.

822 (3) Each nonresident owner or registrant of a motor vehicle
 823 that, whether operated or not, has been physically present
 824 within this state for more than 90 days during the preceding 365
 825 days shall maintain security as required by subsection (1). The
 826 security must be that is in effect continuously throughout the
 827 period the motor vehicle remains within this state.

828 (4) ~~An~~ The owner or registrant of a motor vehicle who is
 829 ~~exempt from the requirements of this section if she or he is~~ a
 830 member of the United States Armed Forces and is called to or on
 831 active duty outside the United States in an emergency situation
 832 ~~is exempt from this section while he or she. The exemption~~
 833 ~~provided by this subsection applies only as long as the member~~
 834 ~~of the Armed Forces is on such active duty. This exemption~~
 835 ~~outside the United States and~~ applies only while the vehicle
 836 covered by the security is not operated by any person. Upon
 837 receipt of a written request by the insured to whom the
 838 exemption provided in this subsection applies, the insurer shall
 839 cancel the coverages and return any unearned premium or suspend
 840 the security required by this section. Notwithstanding s.
 841 ~~324.0221(2)~~ s. ~~324.0221(3)~~, the department may not suspend the

Page 29 of 117

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20-00753A-21

202154__

842 registration or operator's license of an any owner or registrant
 843 of a motor vehicle during the time she or he qualifies for the
 844 ~~an~~ exemption under this subsection. An Any owner or registrant
 845 of a motor vehicle who qualifies for the an exemption under this
 846 subsection shall immediately notify the department before prior
 847 ~~to~~ and at the end of the expiration of the exemption.

848 Section 14. Subsections (1) and (2) of section 324.0221,
 849 Florida Statutes, are amended to read:

850 324.0221 Reports by insurers to the department; suspension
 851 of driver license and vehicle registrations; reinstatement.-

852 (1) (a) Each insurer that has issued a policy providing
 853 ~~personal injury protection coverage or property damage~~ liability
 854 coverage shall report the cancellation or nonrenewal thereof to
 855 the department within 10 days after the processing date or
 856 effective date of each cancellation or nonrenewal. Upon the
 857 issuance of a policy providing ~~personal injury protection~~
 858 ~~coverage or property damage~~ liability coverage to a named
 859 insured not previously insured by the insurer during that
 860 calendar year, the insurer shall report the issuance of the new
 861 policy to the department within 10 days. The report must shall
 862 be in the form ~~and format~~ and contain any information required
 863 by the department and must be provided in a format that is
 864 compatible with the data processing capabilities of the
 865 department. Failure by an insurer to file proper reports with
 866 the department as required by this subsection constitutes a
 867 violation of the Florida Insurance Code. These records may shall
 868 be used by the department only for enforcement and regulatory
 869 purposes, including the generation by the department of data
 870 regarding compliance by owners of motor vehicles with the

Page 30 of 117

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20-00753A-21

202154__

871 requirements for financial responsibility coverage.

872 (b) With respect to an insurance policy providing ~~personal~~
873 ~~injury protection coverage or property damage~~ liability
874 coverage, each insurer shall notify the named insured, or the
875 first-named insured in the case of a commercial fleet policy, in
876 writing that any cancellation or nonrenewal of the policy will
877 be reported by the insurer to the department. The notice must
878 also inform the named insured that failure to maintain bodily
879 injury liability ~~personal injury protection~~ coverage and
880 property damage liability coverage on a motor vehicle when
881 required by law may result in the loss of registration and
882 driving privileges in this state and inform the named insured of
883 the amount of the reinstatement fees required by this section.
884 This notice is for informational purposes only, and an insurer
885 is not civilly liable for failing to provide this notice.

886 (2) The department shall suspend, after due notice and an
887 opportunity to be heard, the registration and driver license of
888 any owner or registrant of a motor vehicle for with respect to
889 which security is required under s. 324.022, s. 324.032, s.
890 627.7415, or s. 627.742 ~~ss. 324.022 and 627.733~~ upon:

891 (a) The department's records showing that the owner or
892 registrant of such motor vehicle did not have the in full force
893 and effect when required security in full force and effect that
894 complies with the requirements of ss. 324.022 and 627.733; or

895 (b) Notification by the insurer to the department, in a
896 form approved by the department, of cancellation or termination
897 of the required security.

898 Section 15. Section 324.0222, Florida Statutes, is created
899 to read:

Page 31 of 117

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20-00753A-21

202154__

900 324.0222 Application of suspensions for failure to maintain
901 security; reinstatement.-All suspensions for failure to maintain
902 required security as required by law in effect before January 1,
903 2022, remain in full force and effect after January 1, 2022. A
904 driver may reinstate a suspended driver license or registration
905 as provided under s. 324.0221.

906 Section 16. Section 324.023, Florida Statutes, is amended
907 to read:

908 324.023 Financial responsibility for bodily injury or
909 death.-In addition to any other financial responsibility
910 required by law, every owner or operator of a motor vehicle that
911 is required to be registered in this state, or that is located
912 within this state, and who, regardless of adjudication of guilt,
913 has been found guilty of or entered a plea of guilty or nolo
914 contendere to a charge of driving under the influence under s.
915 316.193 after October 1, 2007, shall, by one of the methods
916 established in s. 324.031(1)(a) or (b) ~~s. 324.031(1) or (2)~~,
917 establish and maintain the ability to respond in damages for
918 liability on account of accidents arising out of the use of a
919 motor vehicle in the amount of \$100,000 because of bodily injury
920 to, or death of, one person in any one crash and, subject to
921 such limits for one person, in the amount of \$300,000 because of
922 bodily injury to, or death of, two or more persons in any one
923 crash and in the amount of \$50,000 because of property damage in
924 any one crash. If the owner or operator chooses to establish and
925 maintain such ability by furnishing a certificate of deposit
926 pursuant to s. 324.031(1)(b) ~~s. 324.031(2)~~, such certificate of
927 deposit must be at least \$350,000. Such higher limits must be
928 carried for a minimum period of 3 years. If the owner or

Page 32 of 117

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20-00753A-21 202154__

929 operator has not been convicted of driving under the influence
 930 or a felony traffic offense for a period of 3 years from the
 931 date of reinstatement of driving privileges for a violation of
 932 s. 316.193, the owner or operator is shall be exempt from this
 933 section.

934 Section 17. Section 324.031, Florida Statutes, is amended
 935 to read:

936 324.031 Manner of proving financial responsibility.-

937 (1) The owner or operator of a taxicab, limousine, jitney,
 938 or any other for-hire passenger transportation vehicle may prove
 939 financial responsibility by providing satisfactory evidence of
 940 holding a motor vehicle liability policy as defined in s.
 941 324.021(8) or s. 324.151, which policy is issued by an insurance
 942 carrier which is a member of the Florida Insurance Guaranty
 943 Association. The operator or owner of a motor vehicle other than
 944 a for-hire passenger transportation vehicle any other vehicle
 945 may prove his or her financial responsibility by:

946 (a)(1) Furnishing satisfactory evidence of holding a motor
 947 vehicle liability policy as defined in ss. 324.021(8) and
 948 324.151 which provides liability coverage for the motor vehicle
 949 being operated;

950 (b)(2) Furnishing a certificate of self-insurance showing a
 951 deposit of cash in accordance with s. 324.161; or

952 (c)(3) Furnishing a certificate of self-insurance issued by
 953 the department in accordance with s. 324.171.

954 (2) Beginning January 1, 2022, any person, including any
 955 firm, partnership, association, corporation, or other person,
 956 other than a natural person, electing to use the method of proof
 957 specified in paragraph (1)(b) subsection (2) shall do both of

20-00753A-21 202154__

958 the following:

959 (a) Furnish a certificate of deposit equal to the number of
 960 vehicles owned times \$60,000 ~~\$30,000~~, up to a maximum of
 961 \$240,000. ~~\$120,000;~~

962 (b) ~~In addition, any such person, other than a natural~~
 963 person, shall Maintain insurance providing coverage that meets
 964 the requirements of s. 324.151 and has limits of:

965 1. At least \$125,000 for bodily injury to, or the death of,
 966 one person in any one crash and, subject to such limits for one
 967 person, in the amount of \$250,000 for bodily injury to, or the
 968 death of, two or more persons in any one crash, and \$50,000 for
 969 damage to, or destruction of, property of others in any one
 970 crash; or

971 2. At least \$300,000 for combined bodily injury liability
 972 and property damage liability for any one crash ~~in excess of~~
 973 limits of \$10,000/20,000/10,000 or \$30,000 combined single
 974 limits, and such excess insurance shall provide minimum limits
 975 of \$125,000/250,000/50,000 or \$300,000 combined single limits.
 976 These increased limits shall not affect the requirements for
 977 proving financial responsibility under s. 324.032(1).

978 Section 18. Section 324.032, Florida Statutes, is amended
 979 to read:

980 324.032 ~~Manner of proving~~ Financial responsibility ~~for~~
 981 ~~for-hire passenger transportation vehicles. ~~Notwithstanding the~~~~
 982 ~~provisions of s. 324.031.~~

983 (1) An owner or a lessee of a for-hire passenger
 984 transportation vehicle that is required to be registered in this
 985 state shall establish and continuously maintain the ability to
 986 respond in damages for liability on account of accidents arising

20-00753A-21

202154__

987 out of the ownership, maintenance, or use of the for-hire
 988 passenger transportation vehicle, in the amount of:
 989 (a) One hundred twenty-five thousand dollars for bodily
 990 injury to, or the death of, one person in any one crash and,
 991 subject to such limits for one person, in the amount of \$250,000
 992 for bodily injury to, or the death of, two or more persons in
 993 any one crash; and A person who is either the owner or a lessee
 994 required to maintain insurance under s. 627.733(1)(b) and who
 995 operates one or more taxicabs, limousines, jitneys, or any other
 996 for-hire passenger transportation vehicles may prove financial
 997 responsibility by furnishing satisfactory evidence of holding a
 998 motor vehicle liability policy, but with minimum limits of
 999 \$125,000/250,000/50,000.

1000 (b) Fifty thousand dollars for damage to, or destruction
 1001 of, property of others in any one crash A person who is either
 1002 the owner or a lessee required to maintain insurance under s.
 1003 324.021(9)(b) and who operates limousines, jitneys, or any other
 1004 for-hire passenger vehicles, other than taxicabs, may prove
 1005 financial responsibility by furnishing satisfactory evidence of
 1006 holding a motor vehicle liability policy as defined in s.
 1007 324.031.

1008 (2) Except as provided in subsection (3), the requirements
 1009 of this section must be met by the owner or lessee providing
 1010 satisfactory evidence of holding a motor vehicle liability
 1011 policy conforming to the requirements of s. 324.151 which is
 1012 issued by an insurance carrier that is a member of the Florida
 1013 Insurance Guaranty Association.

1014 (3)(2) An owner or a lessee who is required to maintain
 1015 insurance under s. 324.021(9)(b) and who operates at least 300

Page 35 of 117

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20-00753A-21

202154__

1016 ~~taxicabs, limousines, jitneys, or any other~~ for-hire passenger
 1017 transportation vehicles may provide financial responsibility by
 1018 complying with ~~the provisions of~~ s. 324.171, which must ~~such~~
 1019 ~~compliance~~ to be demonstrated by maintaining at its principal
 1020 place of business an audited financial statement, prepared in
 1021 accordance with generally accepted accounting principles, and
 1022 providing to the department a certification issued by a
 1023 certified public accountant that the applicant's net worth is at
 1024 least equal to the requirements of s. 324.171 as determined by
 1025 the Office of Insurance Regulation of the Financial Services
 1026 Commission, including claims liabilities in an amount certified
 1027 as adequate by a Fellow of the Casualty Actuarial Society.
 1028

1029 Upon request by the department, the applicant shall ~~must~~ provide
 1030 the department at the applicant's principal place of business in
 1031 this state access to the applicant's underlying financial
 1032 information and financial statements that provide the basis of
 1033 the certified public accountant's certification. The applicant
 1034 shall reimburse the requesting department for all reasonable
 1035 costs incurred by it in reviewing the supporting information.
 1036 The maximum amount of self-insurance permissible under this
 1037 subsection is \$300,000 and must be stated on a per-occurrence
 1038 basis, and the applicant shall maintain adequate excess
 1039 insurance issued by an authorized or eligible insurer licensed
 1040 or approved by the Office of Insurance Regulation. All risks
 1041 self-insured shall remain with the owner or lessee providing it,
 1042 and the risks are not transferable to any other person, unless a
 1043 policy complying with subsections (1) and (2) ~~subsection (1)~~ is
 1044 obtained.

Page 36 of 117

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20-00753A-21

202154__

1045 Section 19. Paragraph (b) of subsection (2) of section
 1046 324.051, Florida Statutes, is amended to read:
 1047 324.051 Reports of crashes; suspensions of licenses and
 1048 registrations.-
 1049 (2)
 1050 (b) This subsection ~~does shall~~ not apply:
 1051 1. To such operator or owner if such operator or owner had
 1052 in effect at the time of such crash or traffic conviction a
 1053 motor vehicle ~~an automobile~~ liability policy with respect to all
 1054 of the registered motor vehicles owned by such operator or
 1055 owner.
 1056 2. To such operator, if not the owner of such motor
 1057 vehicle, if there was in effect at the time of such crash or
 1058 traffic conviction a motor vehicle ~~an automobile~~ liability
 1059 policy or bond with respect to his or her operation of motor
 1060 vehicles not owned by him or her.
 1061 3. To such operator or owner if the liability of such
 1062 operator or owner for damages resulting from such crash is, in
 1063 the judgment of the department, covered by any other form of
 1064 liability insurance or bond.
 1065 4. To any person who has obtained from the department a
 1066 certificate of self-insurance, in accordance with s. 324.171, or
 1067 to any person operating a motor vehicle for such self-insurer.
 1068
 1069 No such policy or bond shall be effective under this subsection
 1070 unless it contains limits of not less than those specified in s.
 1071 324.021(7).
 1072 Section 20. Section 324.071, Florida Statutes, is amended
 1073 to read:

Page 37 of 117

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20-00753A-21

202154__

1074 324.071 Reinstatement; renewal of license; reinstatement
 1075 fee.-An ~~Any~~ operator or owner whose license or registration has
 1076 been suspended pursuant to s. 324.051(2), s. 324.072, s.
 1077 324.081, or s. 324.121 may effect its reinstatement upon
 1078 compliance with ~~the provisions of~~ s. 324.051(2) (a)3. or 4., or
 1079 s. 324.081(2) and (3), as the case may be, and with one of the
 1080 provisions of s. 324.031 and upon payment to the department of a
 1081 nonrefundable reinstatement fee of \$15. Only one such fee may
 1082 ~~shall~~ be paid by any one person regardless ~~irrespective~~ of the
 1083 number of licenses and registrations to be then reinstated or
 1084 issued to such person. ~~All~~ Such fees must ~~shall~~ be deposited to
 1085 a department trust fund. If ~~When~~ the reinstatement of any
 1086 license or registration is effected by compliance with s.
 1087 324.051(2) (a)3. or 4., the department may ~~shall~~ not renew the
 1088 license or registration within a period of 3 years after ~~from~~
 1089 such reinstatement, nor may ~~shall~~ any other license or
 1090 registration be issued in the name of such person, unless the
 1091 operator continues ~~is continuing~~ to comply with ~~one of the~~
 1092 ~~provisions of~~ s. 324.031.
 1093 Section 21. Subsection (1) of section 324.091, Florida
 1094 Statutes, is amended to read:
 1095 324.091 Notice to department; notice to insurer.-
 1096 (1) Each owner and operator involved in a crash or
 1097 conviction case within the purview of this chapter shall furnish
 1098 evidence of ~~automobile liability insurance or~~ motor vehicle
 1099 liability insurance within 14 days after the date of the mailing
 1100 of notice of crash by the department in the form and manner as
 1101 it may designate. Upon receipt of evidence that a ~~an automobile~~
 1102 ~~liability policy or~~ motor vehicle liability policy was in effect

Page 38 of 117

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20-00753A-21

202154__

1103 at the time of the crash or conviction case, the department
 1104 shall forward to the insurer such information for verification
 1105 in a method as determined by the department. The insurer shall
 1106 respond to the department within 20 days after the notice as to
 1107 whether ~~or not~~ such information is valid. If the department
 1108 determines that a an automobile liability policy or motor
 1109 vehicle liability policy was not in effect and did not provide
 1110 coverage for both the owner and the operator, it ~~must shall~~ take
 1111 action as it is authorized to do under this chapter.

1112 Section 22. Section 324.151, Florida Statutes, is amended
 1113 to read:

1114 324.151 Motor vehicle liability policies; required
 1115 provisions.-

1116 (1) A motor vehicle liability policy that serves as to be
 1117 proof of financial responsibility under s. 324.031(1) (a) must s-
 1118 324.031(1), shall be issued to owners or operators of motor
 1119 vehicles under the following provisions:

1120 (a) A motor vehicle An owner's liability insurance policy
 1121 issued to an owner of a motor vehicle required to be registered
 1122 in this state must shall designate by explicit description or by
 1123 appropriate reference all motor vehicles for with respect to
 1124 which coverage is thereby granted. The policy must and shall
 1125 insure the person or persons owner named therein and, except for
 1126 a named driver excluded pursuant to s. 627.747, must insure any
 1127 resident relative of a named insured other person as operator
 1128 using such motor vehicle or motor vehicles with the express or
 1129 implied permission of such owner against loss from the liability
 1130 imposed by law for damage arising out of the ownership,
 1131 maintenance, or use of any such motor vehicle or motor vehicles

Page 39 of 117

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20-00753A-21

202154__

1132 ~~within the United States or the Dominion of Canada, subject to~~
 1133 ~~limits, exclusive of interest and costs with respect to each~~
 1134 ~~such motor vehicle as is provided for under s. 324.021(7).~~
 1135 Except for a named driver excluded pursuant to s. 627.747, the
 1136 policy must also insure any person operating an insured motor
 1137 vehicle with the express or implied permission of a named
 1138 insured against loss from the liability imposed by law for
 1139 damage arising out of the use of any vehicle. However, the
 1140 insurer may include provisions in its policy excluding liability
 1141 coverage for a motor vehicle not designated as an insured
 1142 vehicle on the policy if such motor vehicle does not qualify as
 1143 a newly acquired vehicle or as a temporary substitute vehicle
 1144 and was owned by the insured or was furnished for an insured's
 1145 regular use for more than 30 consecutive days before the event
 1146 giving rise to the claim. Insurers may make available, with
 1147 respect to property damage liability coverage, a deductible
 1148 amount not to exceed \$500. In the event of a property damage
 1149 loss covered by a policy containing a property damage deductible
 1150 provision, the insurer shall pay to the third-party claimant the
 1151 amount of any property damage liability settlement or judgment,
 1152 subject to policy limits, as if no deductible existed.

1153 (b) A motor vehicle liability insurance policy issued to a
 1154 person who does not own a motor vehicle must An operator's motor
 1155 vehicle liability policy of insurance shall insure the person or
 1156 persons named therein against loss from the liability imposed
 1157 upon him or her by law for damages arising out of the use by the
 1158 person of any motor vehicle not owned by him or her, with the
 1159 same territorial limits and subject to the same limits of
 1160 liability as referred to above with respect to an owner's policy

Page 40 of 117

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20-00753A-21

202154__

1161 ~~of liability insurance.~~

1162 (c) All such motor vehicle liability policies must provide
 1163 liability coverage with limits, exclusive of interest and costs,
 1164 as specified under s. 324.021(7) for accidents occurring within
 1165 the United States or Canada. The policies must ~~shall~~ state the
 1166 name and address of the named insured, the coverage afforded by
 1167 the policy, the premium charged therefor, the policy period, and
 1168 the limits of liability, and ~~must shall~~ contain an agreement or
 1169 be endorsed that insurance is provided in accordance with the
 1170 coverage defined in this chapter ~~as respects bodily injury and~~
 1171 ~~death or property damage or both~~ and is subject to all
 1172 ~~provisions of this chapter. The said policies must shall~~ also
 1173 contain a provision that the satisfaction by an insured of a
 1174 judgment for such injury or damage ~~may shall~~ not be a condition
 1175 precedent to the right or duty of the insurance carrier to make
 1176 payment on account of such injury or damage, and ~~must shall~~ also
 1177 contain a provision that bankruptcy or insolvency of the insured
 1178 or of the insured's estate ~~does shall~~ not relieve the insurance
 1179 carrier of any of its obligations under ~~the said~~ policy.

1180 (2) ~~The provisions of~~ This section is shall not be
 1181 applicable to any motor vehicle automobile liability policy
 1182 unless and until it is furnished as proof of financial
 1183 responsibility for the future pursuant to s. 324.031, and then
 1184 applies only from ~~and after~~ the date the said policy is ~~so~~
 1185 furnished.

1186 (3) As used in this section, the term:

1187 (a) "Newly acquired vehicle" means a vehicle owned by a
 1188 named insured or resident relative of the named insured which
 1189 was acquired no more than 30 days before an accident.

Page 41 of 117

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20-00753A-21

202154__

1190 (b) "Resident relative" means a person related to a named
 1191 insured by any degree by blood, marriage, or adoption, including
 1192 a ward or foster child, who usually makes his or her home in the
 1193 same family unit or residence as the named insured, regardless
 1194 of whether he or she temporarily lives elsewhere.

1195 (c) "Temporary substitute vehicle" means any motor vehicle
 1196 as defined in s. 320.01(1) which is not owned by the named
 1197 insured and which is temporarily used with the permission of the
 1198 owner as a substitute for the owned motor vehicle designated on
 1199 the policy when the owned vehicle is withdrawn from normal use
 1200 because of breakdown, repair, servicing, loss, or destruction.

1201 Section 23. Section 324.161, Florida Statutes, is amended
 1202 to read:

1203 324.161 Proof of financial responsibility; deposit.—If a
 1204 person elects to prove his or her financial responsibility under
 1205 the method of proof specified in s. 324.031(1)(b), he or she
 1206 annually must obtain and submit to the department proof of a
 1207 certificate of deposit in the amount required under s.
 1208 324.031(2) from a financial institution insured by the Federal
 1209 Deposit Insurance Corporation or the National Credit Union
 1210 Administration Annually, before any certificate of insurance may
 1211 be issued to a person, including any firm, partnership,
 1212 association, corporation, or other person, other than a natural
 1213 person, proof of a certificate of deposit of \$30,000 issued and
 1214 held by a financial institution must be submitted to the
 1215 department. A power of attorney will be issued to and held by
 1216 the department and may be executed upon a judgment issued
 1217 against such person making the deposit, for damages ~~for because~~
 1218 of bodily injury to or death of any person or for damages ~~for~~

Page 42 of 117

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20-00753A-21

202154__

1219 ~~because of~~ injury to or destruction of property resulting from
 1220 the use or operation of any motor vehicle occurring after such
 1221 deposit was made. Money so deposited ~~is shall not be~~ subject to
 1222 attachment or execution unless such attachment or execution
 1223 ~~arises shall arise~~ out of a lawsuit ~~suit~~ for such damages ~~as~~
 1224 ~~aforsaid~~.

1225 Section 24. Subsections (1) and (2) of section 324.171,
 1226 Florida Statutes, are amended to read:

1227 324.171 Self-insurer.—

1228 (1) A ~~Any~~ person may qualify as a self-insurer by obtaining
 1229 a certificate of self-insurance from the department, ~~which may,~~
 1230 ~~in its discretion and~~ Upon application of such a person, the
 1231 department may issue a said certificate of self-insurance to an
 1232 applicant who satisfies ~~when such person has satisfied~~ the
 1233 requirements of this section. Effective January 1, 2022 ~~to~~
 1234 ~~qualify as a self-insurer under this section:~~

1235 (a) A private individual with private passenger vehicles
 1236 shall possess a net unencumbered worth of at least \$100,000
 1237 ~~\$40,000~~.

1238 (b) A person, including any firm, partnership, association,
 1239 corporation, or other person, other than a natural person,
 1240 shall:

1241 1. Possess a net unencumbered worth of at least \$100,000
 1242 ~~\$40,000~~ for the first motor vehicle and \$50,000 ~~\$20,000~~ for each
 1243 additional motor vehicle; or

1244 2. Maintain sufficient net worth, in an amount determined
 1245 by the department, to be financially responsible for potential
 1246 losses. The department annually shall determine the minimum net
 1247 worth sufficient to satisfy this subparagraph ~~as determined~~

Page 43 of 117

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20-00753A-21

202154__

1248 ~~annually by the department,~~ pursuant to rules adopted
 1249 ~~promulgated~~ by the department, with the assistance of the Office
 1250 of Insurance Regulation of the Financial Services Commission, ~~to~~
 1251 ~~be financially responsible for potential losses.~~ The rules must
 1252 consider any ~~shall take into consideration~~ excess insurance
 1253 carried by the applicant. The department's determination must
 1254 ~~shall~~ be based upon reasonable actuarial principles considering
 1255 the frequency, severity, and loss development of claims incurred
 1256 by casualty insurers writing coverage on the type of motor
 1257 vehicles for which a certificate of self-insurance is desired.

1258 (c) The owner of a commercial motor vehicle, as defined in
 1259 s. 207.002 or s. 320.01, may qualify as a self-insurer subject
 1260 to the standards provided ~~for~~ in subparagraph (b)2.

1261 (2) The self-insurance certificate must ~~shall~~ provide
 1262 limits of liability insurance in the amounts specified under s.
 1263 324.021(7) ~~or s. 627.7415 and shall provide personal injury~~
 1264 ~~protection coverage under s. 627.733(3)(b).~~

1265 Section 25. Section 324.251, Florida Statutes, is amended
 1266 to read:

1267 324.251 Short title.—This chapter may be cited as the
 1268 "Financial Responsibility Law of 2021 ~~1955~~" and is ~~shall become~~
 1269 effective at 12:01 a.m., January 1, 2022 ~~October 1, 1955~~.

1270 Section 26. Subsection (4) of section 400.9905, Florida
 1271 Statutes, is amended to read:

1272 400.9905 Definitions.—

1273 (4) (a) "Clinic" means an entity where health care services
 1274 are provided to individuals and which tenders charges for
 1275 reimbursement for such services, including a mobile clinic and a
 1276 portable equipment provider. As used in this part, the term does

Page 44 of 117

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20-00753A-21

202154__

1277 not include and the licensure requirements of this part do not
1278 apply to:

1279 1.~~(a)~~ Entities licensed or registered by the state under
1280 chapter 395; entities licensed or registered by the state and
1281 providing only health care services within the scope of services
1282 authorized under their respective licenses under ss. 383.30-
1283 383.332, chapter 390, chapter 394, chapter 397, this chapter
1284 except part X, chapter 429, chapter 463, chapter 465, chapter
1285 466, chapter 478, chapter 484, or chapter 651; end-stage renal
1286 disease providers authorized under 42 C.F.R. part 494; providers
1287 certified and providing only health care services within the
1288 scope of services authorized under their respective
1289 certifications under 42 C.F.R. part 485, subpart B, subpart H,
1290 or subpart J; providers certified and providing only health care
1291 services within the scope of services authorized under their
1292 respective certifications under 42 C.F.R. part 486, subpart C;
1293 providers certified and providing only health care services
1294 within the scope of services authorized under their respective
1295 certifications under 42 C.F.R. part 491, subpart A; providers
1296 certified by the Centers for Medicare and Medicaid Services
1297 under the federal Clinical Laboratory Improvement Amendments and
1298 the federal rules adopted thereunder; or any entity that
1299 provides neonatal or pediatric hospital-based health care
1300 services or other health care services by licensed practitioners
1301 solely within a hospital licensed under chapter 395.

1302 2.~~(b)~~ Entities that own, directly or indirectly, entities
1303 licensed or registered by the state pursuant to chapter 395;
1304 entities that own, directly or indirectly, entities licensed or
1305 registered by the state and providing only health care services

Page 45 of 117

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20-00753A-21

202154__

1306 within the scope of services authorized pursuant to their
1307 respective licenses under ss. 383.30-383.332, chapter 390,
1308 chapter 394, chapter 397, this chapter except part X, chapter
1309 429, chapter 463, chapter 465, chapter 466, chapter 478, chapter
1310 484, or chapter 651; end-stage renal disease providers
1311 authorized under 42 C.F.R. part 494; providers certified and
1312 providing only health care services within the scope of services
1313 authorized under their respective certifications under 42 C.F.R.
1314 part 485, subpart B, subpart H, or subpart J; providers
1315 certified and providing only health care services within the
1316 scope of services authorized under their respective
1317 certifications under 42 C.F.R. part 486, subpart C; providers
1318 certified and providing only health care services within the
1319 scope of services authorized under their respective
1320 certifications under 42 C.F.R. part 491, subpart A; providers
1321 certified by the Centers for Medicare and Medicaid Services
1322 under the federal Clinical Laboratory Improvement Amendments and
1323 the federal rules adopted thereunder; or any entity that
1324 provides neonatal or pediatric hospital-based health care
1325 services by licensed practitioners solely within a hospital
1326 licensed under chapter 395.

1327 3.~~(c)~~ Entities that are owned, directly or indirectly, by
1328 an entity licensed or registered by the state pursuant to
1329 chapter 395; entities that are owned, directly or indirectly, by
1330 an entity licensed or registered by the state and providing only
1331 health care services within the scope of services authorized
1332 pursuant to their respective licenses under ss. 383.30-383.332,
1333 chapter 390, chapter 394, chapter 397, this chapter except part
1334 X, chapter 429, chapter 463, chapter 465, chapter 466, chapter

Page 46 of 117

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20-00753A-21

202154__

1335 478, chapter 484, or chapter 651; end-stage renal disease
 1336 providers authorized under 42 C.F.R. part 494; providers
 1337 certified and providing only health care services within the
 1338 scope of services authorized under their respective
 1339 certifications under 42 C.F.R. part 485, subpart B, subpart H,
 1340 or subpart J; providers certified and providing only health care
 1341 services within the scope of services authorized under their
 1342 respective certifications under 42 C.F.R. part 486, subpart C;
 1343 providers certified and providing only health care services
 1344 within the scope of services authorized under their respective
 1345 certifications under 42 C.F.R. part 491, subpart A; providers
 1346 certified by the Centers for Medicare and Medicaid Services
 1347 under the federal Clinical Laboratory Improvement Amendments and
 1348 the federal rules adopted thereunder; or any entity that
 1349 provides neonatal or pediatric hospital-based health care
 1350 services by licensed practitioners solely within a hospital
 1351 under chapter 395.

1352 4.(d) Entities that are under common ownership, directly
 1353 or indirectly, with an entity licensed or registered by the
 1354 state pursuant to chapter 395; entities that are under common
 1355 ownership, directly or indirectly, with an entity licensed or
 1356 registered by the state and providing only health care services
 1357 within the scope of services authorized pursuant to their
 1358 respective licenses under ss. 383.30-383.332, chapter 390,
 1359 chapter 394, chapter 397, this chapter except part X, chapter
 1360 429, chapter 463, chapter 465, chapter 466, chapter 478, chapter
 1361 484, or chapter 651; end-stage renal disease providers
 1362 authorized under 42 C.F.R. part 494; providers certified and
 1363 providing only health care services within the scope of services

Page 47 of 117

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20-00753A-21

202154__

1364 authorized under their respective certifications under 42 C.F.R.
 1365 part 485, subpart B, subpart H, or subpart J; providers
 1366 certified and providing only health care services within the
 1367 scope of services authorized under their respective
 1368 certifications under 42 C.F.R. part 486, subpart C; providers
 1369 certified and providing only health care services within the
 1370 scope of services authorized under their respective
 1371 certifications under 42 C.F.R. part 491, subpart A; providers
 1372 certified by the Centers for Medicare and Medicaid Services
 1373 under the federal Clinical Laboratory Improvement Amendments and
 1374 the federal rules adopted thereunder; or any entity that
 1375 provides neonatal or pediatric hospital-based health care
 1376 services by licensed practitioners solely within a hospital
 1377 licensed under chapter 395.

1378 5.(e) An entity that is exempt from federal taxation under
 1379 26 U.S.C. s. 501(c)(3) or (4), an employee stock ownership plan
 1380 under 26 U.S.C. s. 409 that has a board of trustees at least
 1381 two-thirds of which are Florida-licensed health care
 1382 practitioners and provides only physical therapy services under
 1383 physician orders, any community college or university clinic,
 1384 and any entity owned or operated by the federal or state
 1385 government, including agencies, subdivisions, or municipalities
 1386 thereof.

1387 6.(f) A sole proprietorship, group practice, partnership,
 1388 or corporation that provides health care services by physicians
 1389 covered by s. 627.419, that is directly supervised by one or
 1390 more of such physicians, and that is wholly owned by one or more
 1391 of those physicians or by a physician and the spouse, parent,
 1392 child, or sibling of that physician.

Page 48 of 117

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20-00753A-21

202154__

1393 7.(g) A sole proprietorship, group practice, partnership,
 1394 or corporation that provides health care services by licensed
 1395 health care practitioners under chapter 457, chapter 458,
 1396 chapter 459, chapter 460, chapter 461, chapter 462, chapter 463,
 1397 chapter 466, chapter 467, chapter 480, chapter 484, chapter 486,
 1398 chapter 490, chapter 491, or part I, part III, part X, part
 1399 XIII, or part XIV of chapter 468, or s. 464.012, and that is
 1400 wholly owned by one or more licensed health care practitioners,
 1401 or the licensed health care practitioners set forth in this
 1402 subparagraph ~~paragraph~~ and the spouse, parent, child, or sibling
 1403 of a licensed health care practitioner if one of the owners who
 1404 is a licensed health care practitioner is supervising the
 1405 business activities and is legally responsible for the entity's
 1406 compliance with all federal and state laws. However, a health
 1407 care practitioner may not supervise services beyond the scope of
 1408 the practitioner's license, except that, for the purposes of
 1409 this part, a clinic owned by a licensee in s. 456.053(3)(b)
 1410 which provides only services authorized pursuant to s.
 1411 456.053(3)(b) may be supervised by a licensee specified in s.
 1412 456.053(3)(b).

1413 8.(h) Clinical facilities affiliated with an accredited
 1414 medical school at which training is provided for medical
 1415 students, residents, or fellows.

1416 9.(i) Entities that provide only oncology or radiation
 1417 therapy services by physicians licensed under chapter 458 or
 1418 chapter 459 or entities that provide oncology or radiation
 1419 therapy services by physicians licensed under chapter 458 or
 1420 chapter 459 which are owned by a corporation whose shares are
 1421 publicly traded on a recognized stock exchange.

Page 49 of 117

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20-00753A-21

202154__

1422 10.(j) Clinical facilities affiliated with a college of
 1423 chiropractic accredited by the Council on Chiropractic Education
 1424 at which training is provided for chiropractic students.

1425 11.(k) Entities that provide licensed practitioners to
 1426 staff emergency departments or to deliver anesthesia services in
 1427 facilities licensed under chapter 395 and that derive at least
 1428 90 percent of their gross annual revenues from the provision of
 1429 such services. Entities claiming an exemption from licensure
 1430 under this subparagraph ~~paragraph~~ must provide documentation
 1431 demonstrating compliance.

1432 12.(l) Orthotic, prosthetic, pediatric cardiology, or
 1433 perinatology clinical facilities or anesthesia clinical
 1434 facilities that are not otherwise exempt under subparagraph 1.
 1435 or subparagraph 11. ~~paragraph (a) or paragraph (k)~~ and that are
 1436 a publicly traded corporation or are wholly owned, directly or
 1437 indirectly, by a publicly traded corporation. As used in this
 1438 subparagraph ~~paragraph~~, a publicly traded corporation is a
 1439 corporation that issues securities traded on an exchange
 1440 registered with the United States Securities and Exchange
 1441 Commission as a national securities exchange.

1442 13.(m) Entities that are owned by a corporation that has
 1443 \$250 million or more in total annual sales of health care
 1444 services provided by licensed health care practitioners where
 1445 one or more of the persons responsible for the operations of the
 1446 entity is a health care practitioner who is licensed in this
 1447 state and who is responsible for supervising the business
 1448 activities of the entity and is responsible for the entity's
 1449 compliance with state law for purposes of this part.

1450 14.(n) Entities that employ 50 or more licensed health care

Page 50 of 117

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20-00753A-21

202154__

1451 practitioners licensed under chapter 458 or chapter 459 where
 1452 the billing for medical services is under a single tax
 1453 identification number. The application for exemption under this
 1454 subsection ~~must include shall contain information that includes:~~
 1455 the name, residence, and business address and ~~telephone phone~~
 1456 number of the entity that owns the practice; a complete list of
 1457 the names and contact information of all the officers and
 1458 directors of the corporation; the name, residence address,
 1459 business address, and medical license number of each licensed
 1460 Florida health care practitioner employed by the entity; the
 1461 corporate tax identification number of the entity seeking an
 1462 exemption; a listing of health care services to be provided by
 1463 the entity at the health care clinics owned or operated by the
 1464 entity; and a certified statement prepared by an independent
 1465 certified public accountant which states that the entity and the
 1466 health care clinics owned or operated by the entity have not
 1467 received payment for health care services under medical payments
 1468 ~~personal injury protection insurance~~ coverage for the preceding
 1469 year. If the agency determines that an entity ~~that which~~ is
 1470 exempt under this subsection has received payments for medical
 1471 services under medical payments ~~personal injury protection~~
 1472 ~~insurance~~ coverage, the agency may deny or revoke the exemption
 1473 from licensure under this subsection.

1474 15.(e) Entities that are, directly or indirectly, under the
 1475 common ownership of or that are subject to common control by a
 1476 mutual insurance holding company, as defined in s. 628.703, with
 1477 an entity issued a certificate of authority under chapter 624 or
 1478 chapter 641 which has \$1 billion or more in total annual sales
 1479 in this state.

Page 51 of 117

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20-00753A-21

202154__

1480 16.(e) Entities that are owned by an entity that is a
 1481 behavioral health care service provider in at least five other
 1482 states; that, together with its affiliates, have \$90 million or
 1483 more in total annual revenues associated with the provision of
 1484 behavioral health care services; and wherein one or more of the
 1485 persons responsible for the operations of the entity is a health
 1486 care practitioner who is licensed in this state, who is
 1487 responsible for supervising the business activities of the
 1488 entity, and who is responsible for the entity's compliance with
 1489 state law for purposes of this part.

1490 17.(g) Medicaid providers.

1491 (b) Notwithstanding paragraph (a) ~~this subsection~~, an
 1492 entity is ~~shall be~~ deemed a clinic and must be licensed under
 1493 this part in order to receive medical payments coverage
 1494 reimbursement under s. 627.7265 unless the entity is:

1495 1. Wholly owned by a physician licensed under chapter 458
 1496 or chapter 459, or by the physician and the spouse, parent,
 1497 child, or sibling of the physician;

1498 2. Wholly owned by a dentist licensed under chapter 466, or
 1499 by the dentist and the spouse, parent, child, or sibling of the
 1500 dentist;

1501 3. Wholly owned by a chiropractic physician licensed under
 1502 chapter 460, or by the chiropractic physician and the spouse,
 1503 parent, child, or sibling of the chiropractic physician;

1504 4. A hospital or ambulatory surgical center licensed under
 1505 chapter 395;

1506 5. An entity that wholly owns or is wholly owned, directly
 1507 or indirectly, by a hospital or hospitals licensed under chapter
 1508 395;

Page 52 of 117

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20-00753A-21

202154__

1509 6. A clinical facility affiliated with an accredited
 1510 medical school at which training is provided for medical
 1511 students, residents, or fellows;
 1512 7. Certified under 42 C.F.R. part 485, subpart H; or
 1513 8. Owned by a publicly traded corporation, either directly
 1514 or indirectly through its subsidiaries, which has \$250 million
 1515 or more in total annual sales of health care services provided
 1516 by licensed health care practitioners, if one or more of the
 1517 persons responsible for the operations of the entity are health
 1518 care practitioners who are licensed in this state and are
 1519 responsible for supervising the business activities of the
 1520 entity and the entity's compliance with state law for purposes
 1521 of this subsection the Florida Motor Vehicle No Fault Law, ss.
 1522 627.730-627.7405, unless exempted under s. 627.736(5)(h).
 1523 Section 27. Subsection (5) of section 400.991, Florida
 1524 Statutes, is amended to read:
 1525 400.991 License requirements; background screenings;
 1526 prohibitions.—
 1527 (5) All agency forms for licensure application or exemption
 1528 from licensure under this part must contain the following
 1529 statement:
 1530
 1531 INSURANCE FRAUD NOTICE.—A person commits a fraudulent
 1532 insurance act, as defined in s. 626.989, Florida
 1533 Statutes, if the person ~~who~~ knowingly submits a false,
 1534 misleading, or fraudulent application or other
 1535 document when applying for licensure as a health care
 1536 clinic, seeking an exemption from licensure as a
 1537 health care clinic, or demonstrating compliance with

Page 53 of 117

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20-00753A-21

202154__

1538 part X of chapter 400, Florida Statutes, with the
 1539 intent to use the license, exemption from licensure,
 1540 or demonstration of compliance to provide services or
 1541 seek reimbursement under a motor vehicle liability
 1542 insurance policy's medical payments coverage ~~the~~
 1543 Florida Motor Vehicle No-Fault Law, commits a
 1544 fraudulent insurance act, as defined in s. 626.989,
 1545 Florida Statutes. A person who presents a claim for
 1546 benefits under medical payments coverage ~~personal~~
 1547 injury protection benefits knowing that the payee
 1548 knowingly submitted such health care clinic
 1549 application or document, commits insurance fraud, as
 1550 defined in s. 817.234, Florida Statutes.
 1551 Section 28. Paragraph (g) of subsection (1) of section
 1552 400.9935, Florida Statutes, is amended to read:
 1553 400.9935 Clinic responsibilities.—
 1554 (1) Each clinic shall appoint a medical director or clinic
 1555 director who shall agree in writing to accept legal
 1556 responsibility for the following activities on behalf of the
 1557 clinic. The medical director or the clinic director shall:
 1558 (g) Conduct systematic reviews of clinic billings to ensure
 1559 that the billings are not fraudulent or unlawful. Upon discovery
 1560 of an unlawful charge, the medical director or clinic director
 1561 shall take immediate corrective action. If the clinic performs
 1562 only the technical component of magnetic resonance imaging,
 1563 static radiographs, computed tomography, or positron emission
 1564 tomography, and provides the professional interpretation of such
 1565 services, in a fixed facility that is accredited by a national
 1566 accrediting organization that is approved by the Centers for

Page 54 of 117

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20-00753A-21

202154__

1567 Medicare and Medicaid Services for magnetic resonance imaging
 1568 and advanced diagnostic imaging services and if, in the
 1569 preceding quarter, the percentage of scans performed by that
 1570 clinic which was billed to ~~motor vehicle all personal injury~~
 1571 ~~protection~~ insurance carriers under medical payments coverage
 1572 was less than 15 percent, the chief financial officer of the
 1573 clinic may, in a written acknowledgment provided to the agency,
 1574 assume the responsibility for the conduct of the systematic
 1575 reviews of clinic billings to ensure that the billings are not
 1576 fraudulent or unlawful.

1577 Section 29. Subsection (28) of section 409.901, Florida
 1578 Statutes, is amended to read:

1579 409.901 Definitions; ss. 409.901-409.920.—As used in ss.
 1580 409.901-409.920, except as otherwise specifically provided, the
 1581 term:

1582 (28) "Third-party benefit" means any benefit that is or may
 1583 be available at any time through contract, court award,
 1584 judgment, settlement, agreement, or any arrangement between a
 1585 third party and any person or entity, including, without
 1586 limitation, a Medicaid recipient, a provider, another third
 1587 party, an insurer, or the agency, for any Medicaid-covered
 1588 injury, illness, goods, or services, including costs of medical
 1589 services related thereto, for ~~bodily personal~~ injury or for
 1590 death of the recipient, but specifically excluding ~~policies of~~
 1591 life insurance policies on the recipient, unless available under
 1592 terms of the policy to pay medical expenses before ~~prior to~~
 1593 death. The term includes, without limitation, collateral, as
 1594 defined in this section; ~~health insurance;~~ any benefit under a
 1595 health maintenance organization, a preferred provider

Page 55 of 117

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20-00753A-21

202154__

1596 arrangement, a prepaid health clinic, liability insurance,
 1597 uninsured motorist insurance, or medical payments coverage; or
 1598 ~~personal injury protection coverage;~~ medical benefits under
 1599 workers' compensation, and any obligation under law or equity to
 1600 provide medical support.

1601 Section 30. Paragraph (f) of subsection (11) of section
 1602 409.910, Florida Statutes, is amended to read:

1603 409.910 Responsibility for payments on behalf of Medicaid-
 1604 eligible persons when other parties are liable.—

1605 (11) The agency may, as a matter of right, in order to
 1606 enforce its rights under this section, institute, intervene in,
 1607 or join any legal or administrative proceeding in its own name
 1608 in one or more of the following capacities: individually, as
 1609 subrogee of the recipient, as assignee of the recipient, or as
 1610 lienholder of the collateral.

1611 (f) Notwithstanding any provision in this section to the
 1612 contrary, in the event of an action in tort against a third
 1613 party in which the recipient or his or her legal representative
 1614 is a party which results in a judgment, award, or settlement
 1615 from a third party, the amount recovered shall be distributed as
 1616 follows:

1617 1. After ~~attorney~~ ~~attorney's~~ fees and taxable costs as
 1618 defined by the Florida Rules of Civil Procedure, one-half of the
 1619 remaining recovery shall be paid to the agency up to the total
 1620 amount of medical assistance provided by Medicaid.

1621 2. The remaining amount of the recovery shall be paid to
 1622 the recipient.

1623 3. For purposes of calculating the agency's recovery of
 1624 medical assistance benefits paid, the fee for services of an

Page 56 of 117

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20-00753A-21

202154__

1625 attorney retained by the recipient or his or her legal
1626 representative shall be calculated at 25 percent of the
1627 judgment, award, or settlement.

1628 4. Notwithstanding any other provision of this section to
1629 the contrary, the agency shall be entitled to all medical
1630 coverage benefits up to the total amount of medical assistance
1631 provided by Medicaid. For purposes of this paragraph, the term
1632 "medical coverage" means any benefits under health insurance, a
1633 health maintenance organization, a preferred provider
1634 arrangement, or a prepaid health clinic, and the portion of
1635 benefits designated for medical payments under ~~coverage for~~
1636 workers' compensation coverage, motor vehicle insurance
1637 coverage, personal injury protection, and casualty coverage.

1638 Section 31. Paragraph (k) of subsection (2) of section
1639 456.057, Florida Statutes, is amended to read:

1640 456.057 Ownership and control of patient records; report or
1641 copies of records to be furnished; disclosure of information.—

1642 (2) As used in this section, the terms "records owner,"
1643 "health care practitioner," and "health care practitioner's
1644 employer" do not include any of the following persons or
1645 entities; furthermore, the following persons or entities are not
1646 authorized to acquire or own medical records, but are authorized
1647 under the confidentiality and disclosure requirements of this
1648 section to maintain those documents required by the part or
1649 chapter under which they are licensed or regulated:

1650 (k) Persons or entities practicing under s. 627.7265 ~~s.~~
1651 ~~627.736(7)~~.

1652 Section 32. Paragraphs (ee) and (ff) of subsection (1) of
1653 section 456.072, Florida Statutes, are amended to read:

Page 57 of 117

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20-00753A-21

202154__

1654 456.072 Grounds for discipline; penalties; enforcement.—

1655 (1) The following acts shall constitute grounds for which
1656 the disciplinary actions specified in subsection (2) may be
1657 taken:

1658 (ee) With respect to making a medical payments coverage
1659 ~~personal injury protection~~ claim under s. 627.7265 as required
1660 ~~by s. 627.736~~, intentionally submitting a claim, statement, or
1661 bill that has been upcoded. As used in this paragraph, the term
1662 "upcoded" means an action that submits a billing code that would
1663 result in a greater payment amount than would be paid using a
1664 billing code that accurately describes the services performed.
1665 The term does not include an otherwise lawful bill by a magnetic
1666 resonance imaging facility which globally combines both
1667 technical and professional components, if the amount of the
1668 global bill is not more than the components if billed
1669 separately; however, payment of such a bill constitutes payment
1670 in full for all components of such service ~~"upcoded" as defined~~
1671 ~~in s. 627.732~~.

1672 (ff) With respect to making a medical payments coverage
1673 ~~personal injury protection~~ claim pursuant to s. 627.7265 as
1674 ~~required by s. 627.736~~, intentionally submitting a claim,
1675 statement, or bill for payment of services that were not
1676 rendered.

1677 Section 33. Subsections (5) and (8) of section 624.155,
1678 Florida Statutes, are amended to read:

1679 624.155 Civil remedy.—

1680 (5) No punitive damages shall be awarded under this section
1681 unless the civil action is not subject to s. 624.156 and the
1682 acts giving rise to the violation occur with such frequency as

Page 58 of 117

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20-00753A-21

202154__

1683 to indicate a general business practice and these acts are:

- 1684 (a) Willful, wanton, and malicious;
- 1685 (b) In reckless disregard for the rights of any insured; or
- 1686 (c) In reckless disregard for the rights of a beneficiary
- 1687 under a life insurance contract.

1688

1689 Any person who pursues a claim under this subsection shall post

1690 in advance the costs of discovery. Such costs shall be awarded

1691 to the authorized insurer if no punitive damages are awarded to

1692 the plaintiff.

1693 (8) The civil remedy specified in this section does not

1694 preempt any other remedy or cause of action provided for

1695 pursuant to any other statute or pursuant to the common law of

1696 this state. ~~A Any person is may obtain a judgment under either~~

1697 ~~the common-law remedy of bad faith or this statutory remedy, but~~

1698 ~~shall not be entitled to a judgment under multiple bad faith~~

1699 ~~both remedies, whether under statute or common law.~~ This section

1700 shall not be construed to create a common-law cause of action.

1701 The damages recoverable pursuant to this section shall include

1702 those damages which are a reasonably foreseeable result of a

1703 specified violation of this section by the authorized insurer

1704 and may include an award or judgment in an amount that exceeds

1705 the policy limits.

1706 Section 34. Section 624.156, Florida Statutes, is created

1707 to read:

1708 624.156 Bad faith failure to settle actions against motor

1709 vehicle insurers.-

1710 (1) SCOPE.-

1711 (a) Except as provided in paragraph (b), this section

20-00753A-21

202154__

1712 applies in all actions for bad faith failure to settle, whether

1713 under statute or common law, against any insurer for a loss

1714 arising out of the ownership, maintenance, or use of a motor

1715 vehicle operated or principally garaged in this state at the

1716 time of an accident, regardless of whether the insurer is

1717 authorized to do business in this state or issued a policy in

1718 this state.

1719 (b) Subsections (5)-(10) and (13) apply only to third-party

1720 bad faith failure to settle actions not brought pursuant to s.

1721 624.155 against any insurer for a loss arising out of the

1722 ownership, maintenance, or use of a motor vehicle operated or

1723 principally garaged in this state at the time of an accident,

1724 regardless of whether the insurer is authorized to do business

1725 in this state or issued a policy in this state.

1726 (2) DUTY OF GOOD FAITH.-In handling claims, an insurer

1727 stands as a fiduciary for its insured and must handle claims in

1728 good faith. The insurer shall comply with the best practice

1729 standards of subsection (4) using the same degree of care and

1730 diligence as a person of ordinary care and prudence would

1731 exercise in the management of his or her own business.

1732 (3) BAD FAITH FAILURE TO SETTLE.-"Bad faith failure to

1733 settle" means an insurer's failure to settle a claim when, under

1734 all the circumstances, it could and should have done so, had it

1735 acted fairly and honestly toward its insured and with due regard

1736 for the insured's interests.

1737 (4) BEST PRACTICE STANDARDS.-Upon the earlier of receiving

1738 notice of a claim or, under subsection (6), a demand for

1739 settlement, an insurer must do all of the following:

1740 (a) Assign a duly licensed and appointed insurance adjuster

20-00753A-21

202154__

1741 to investigate the claim and resolve any questions concerning
 1742 the existence or extent of the insured's coverage.

1743 (b) Evaluate every claim fairly, honestly, and with due
 1744 regard for the interests of its insured, consider the full
 1745 extent of the claimant's recoverable damages, and consider the
 1746 information in a reasonable and prudent manner.

1747 (c) Request from the insured or claimant additional
 1748 relevant information deemed necessary.

1749 (d) Conduct all verbal and written communications with the
 1750 utmost honesty and complete candor.

1751 (e) Make reasonable efforts to explain to nonattorneys
 1752 matters requiring expertise beyond the level normally expected
 1753 of a layperson with no training in insurance or claims-handling
 1754 issues.

1755 (f) Save all written communications and note and save all
 1756 verbal communications in a reasonable manner.

1757 (g) Provide the insured, upon request, with all
 1758 nonprivileged communications related to the insurer's handling
 1759 of the claim.

1760 (h) Provide, at the insurer's expense, reasonable
 1761 accommodations necessary to communicate effectively with an
 1762 insured covered under the Americans with Disabilities Act.

1763 (i) In handling first-party claims, communicate to an
 1764 insured:

1765 1. Information on who is adjusting the claim;

1766 2. Any issues that may impair the insured's coverage;

1767 3. Information that might resolve the issue in a prompt
 1768 manner;

1769 4. Any basis for the insurer's rejection or nonacceptance

Page 61 of 117

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20-00753A-21

202154__

1770 of any settlement offer; and

1771 5. Any needed extensions to respond to a time-limited
 1772 settlement offer.

1773 (j) In handling third-party claims, communicate to an
 1774 insured:

1775 1. The identity of any other person or entity the insurer
 1776 knows may be liable;

1777 2. The insurer's activity on and evaluation of the claim;

1778 3. The likelihood and possible extent of an excess
 1779 judgment;

1780 4. Steps the insured can take to avoid exposure to an
 1781 excess judgment;

1782 5. Requests for examinations under oath and an explanation
 1783 of the consequences of an insured's failure to submit to an
 1784 examination under oath; and

1785 6. Any demands for settlement under subsection (6) or
 1786 settlement offers.

1787 (k) When a loss involves multiple claimants and the
 1788 claimants are unwilling to settle cumulatively within the policy
 1789 limits and release the insured from further liability, in
 1790 addition to fulfilling the requirements of paragraphs (a)-(j),
 1791 attempt to minimize the risk of excess judgments against the
 1792 insured and settle as many claims as possible within the policy
 1793 limits in exchange for a release of the insured from further
 1794 liability.

1795 (5) CONDITIONS PRECEDENT.—Except for actions filed under s.
 1796 624.155, it is a condition precedent to filing a third-party
 1797 action for bad faith failure to settle against an insurer that
 1798 the claimant must:

Page 62 of 117

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20-00753A-21

202154__

1799 (a) Serve a demand for settlement, as provided in
 1800 subsection (6), within the insurer's limits of liability in
 1801 exchange for a release of further liability against the insured;
 1802 and

1803 (b) Obtain a final judgment in excess of the policy limits
 1804 against the insured.

1805 (6) DEMAND FOR SETTLEMENT.—A demand for settlement must do
 1806 all of the following:

1807 (a) Identify the:

1808 1. Date and location of loss;

1809 2. Name, address, and date of birth of the claimant;

1810 3. Name of each insured to whom the demand for settlement
 1811 is directed; and

1812 4. Legal and factual basis of the claim.

1813 (b) Provide a reasonably detailed description of the
 1814 claimant's:

1815 1. Known injuries caused or aggravated by the incident on
 1816 which the claim is based; and

1817 2. Medical treatment causally related to the incident on
 1818 which the claim is based; and

1819 3. Type and amount of known damages incurred and, if any,
 1820 the damages the claimant reasonably anticipates incurring in the
 1821 future.

1822 (c) State the amount of the demand for settlement.

1823 (d) State whether the demand for settlement is conditioned
 1824 on the completion of an examination under oath, as authorized by
 1825 subsection (8).

1826 (e) Provide a physical address, an e-mail address, and a
 1827 facsimile number for further communications, including, but not

Page 63 of 117

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20-00753A-21

202154__

1828 limited to, responses to the demand for settlement.

1829 (f) Release the insured from any further liability upon the
 1830 insurer's acceptance of a demand for settlement which is not
 1831 withdrawn pursuant to paragraph (8) (e) or paragraph (8) (g), or
 1832 accepted pursuant to paragraph (8) (f).

1833 (g) Be served upon the insurer by certified mail at the
 1834 address designated by the insurer with the Department of
 1835 Financial Services under s. 624.422(2).

1836 (7) LIMITATIONS ON CONDITIONS OF ACCEPTANCE OF A DEMAND.—A
 1837 claimant may not place any conditions on acceptance of a demand
 1838 for settlement other than electing the right to examine the
 1839 insured under oath regarding any of the following:

1840 (a) Whether the insured has the ability to satisfy a claim
 1841 for damages in excess of the insurer's limits of liability.

1842 (b) Whether any other person or entity may have actual or
 1843 potential direct or vicarious liability for the insured's
 1844 negligence.

1845 (c) Whether any other insurance exists which may cover some
 1846 or all of the damages sustained by the claimant.

1847 (8) EXAMINATION UNDER OATH.—After serving a demand for
 1848 settlement, a claimant may examine the insured under oath, on
 1849 one occasion for a period of time not to exceed 2 hours,
 1850 regarding only the issues in subsection (7).

1851 (a) The claimant may request that the insured bring to the
 1852 examination relevant documents in the insured's possession,
 1853 custody, or control, including, but not limited to, credit
 1854 reports, insurance policies, bank statements, tax returns,
 1855 deeds, titles, and other proof of assets or liabilities.

1856 (b) The claimant may not examine the insured regarding

Page 64 of 117

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20-00753A-21

202154__

1857 liability.

1858 (c) The claimant, the insurer, and the insured shall
 1859 cooperate in scheduling the examination under oath. The insurer
 1860 shall notify the insured of the date, time, and location of the
 1861 examination under oath.

1862 (d) The examination under oath must occur within 30 days
 1863 after the insurer's acceptance of the settlement demand.

1864 (e) The claimant may withdraw the demand for settlement if
 1865 the insured refuses to submit to an examination under oath.

1866 (f) If the insured refuses to submit to an examination
 1867 under oath, the insurer may accept the demand for settlement
 1868 without requiring a release of the insured. An insurer that
 1869 accepts the demand for settlement pursuant to this paragraph
 1870 does not have any further duty to defend the insured and may not
 1871 be held liable for damages to the insured if the claimant
 1872 thereafter obtains an excess judgment against the insured.

1873 (g) Within 7 days after the examination under oath, the
 1874 claimant may withdraw the demand for settlement.

1875 (9) SAFE HARBOR.—In all third-party actions for bad faith
 1876 failure to settle not brought under s. 624.155, an insurer may
 1877 not be held liable if it tenders its policy limits within 30
 1878 days of receiving a demand for settlement under subsection (6).

1879 (10) RELEASE.—An insurer that accepts a demand for
 1880 settlement under subsection (6) shall be entitled to a release
 1881 of its insured, except as provided in paragraph (8)(f).

1882 (11) BURDEN OF PROOF.—In any action for bad faith failure
 1883 to settle, whether under statute or common law, the claimant
 1884 must prove by the preponderance of the evidence that the insurer
 1885 violated its duty of good faith under subsection (2) and that

Page 65 of 117

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20-00753A-21

202154__

1886 the insurer in bad faith failed to settle, as defined in
 1887 subsection (3).

1888 (a) In determining whether an insurer violated its duty of
 1889 good faith under subsection (2) and in bad faith failed to
 1890 settle, as defined in subsection (3), the trier of fact shall
 1891 consider all of the following:

1892 1. Whether the insurer complied with the best practice
 1893 standards of subsection (4) using the same degree of care and
 1894 diligence as a person of ordinary care and prudence would
 1895 exercise in the management of his or her own business.

1896 2. Whether the insurer failed to settle a claim when, under
 1897 all the circumstances, it could and should have done so, had it
 1898 acted fairly and honestly toward its insured and with due regard
 1899 for the insured's interests.

1900 3. Whether the claimant or insured failed to provide
 1901 relevant information to the insurer on a timely basis.

1902 4. Whether the claimant or insured misrepresented material
 1903 facts to the insurer or made material omissions of fact to the
 1904 insurer.

1905 5. In third-party bad faith failure to settle actions not
 1906 brought under s. 624.155, whether the insured denied liability
 1907 or requested that the case be defended after the insurer fully
 1908 advised the insured as to the facts and risks.

1909 6. In third-party bad faith failure to settle actions not
 1910 brought under s. 624.155, whether the insurer timely informed
 1911 the insured of a demand to settle within the limits of coverage,
 1912 the right to retain personal counsel, and the risk of
 1913 litigation.

1914 7. The insurer's willingness to negotiate with the claimant

Page 66 of 117

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20-00753A-21

202154__

1915 in anticipation of settlement.

1916 8. The amount of damages the claimant incurred or was
 1917 likely to incur in the future under the facts known or
 1918 reasonably available at the time of the insurer's response.

1919 9. If applicable, whether there were multiple third-party
 1920 claimants seeking, in the aggregate, compensation in excess of
 1921 the policy limits from the insured; and, if so, whether the
 1922 insurer breached its duty to attempt to minimize the magnitude
 1923 of possible excess judgments against the insured and to attempt
 1924 to settle as many claims as possible within the policy limits in
 1925 exchange for a release of the insured from further liability.

1926 10. Additional factors that the court determines to be
 1927 relevant.

1928 (b) The trier of fact, in determining whether an insurer in
 1929 bad faith failed to settle, must be informed that an excess
 1930 judgment occurred but may not be informed of the amount of the
 1931 excess judgment.

1932 (12) DAMAGES.—An insurer that is found to have violated its
 1933 duty of good faith under subsection (2) and in bad faith failed
 1934 to settle, as defined in subsection (3), is liable for the
 1935 amount of any excess judgment. No other damages are permitted in
 1936 a bad faith failure to settle action, whether under statute or
 1937 common law. A party may not claim punitive damages for bad faith
 1938 failure to settle, whether under statute or common law.

1939 (13) ENFORCEMENT.—If a judgment creditor has served a
 1940 demand for settlement under subsection (6), and the judgment
 1941 exceeds the insured's limits of liability, the judgment creditor
 1942 must be subrogated to the rights of the insured against the
 1943 insurer for common law bad faith.

Page 67 of 117

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20-00753A-21

202154__

1944 (14) LIMITATION ON MULTIPLE REMEDIES.—A person is not
 1945 entitled to a judgment under multiple bad faith remedies,
 1946 whether under statute or common law.

1947 (15) APPLICATION OF S. 624.155.—The provisions of s.
 1948 624.155 are applicable in all cases brought pursuant to that
 1949 section, except as modified by this section.

1950 Section 35. Paragraphs (i) and (o) of subsection (1) of
 1951 section 626.9541, Florida Statutes, are amended to read:

1952 626.9541 Unfair methods of competition and unfair or
 1953 deceptive acts or practices defined.—

1954 (1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE
 1955 ACTS.—The following are defined as unfair methods of competition
 1956 and unfair or deceptive acts or practices:

1957 (i) Unfair claim settlement practices.—

1958 1. Attempting to settle claims on the basis of an
 1959 application, when serving as a binder or intended to become a
 1960 part of the policy, or any other material document which was
 1961 altered without notice to, or knowledge or consent of, the
 1962 insured;

1963 2. Making a material misrepresentation ~~made~~ to an insured
 1964 or any other person having an interest in the proceeds payable
 1965 under such contract or policy, for the purpose and with the
 1966 intent of effecting settlement of such claims, loss, or damage
 1967 under such contract or policy on less favorable terms than those
 1968 provided in, and contemplated by, such contract or policy; ~~or~~

1969 3. Committing or performing with such frequency as to
 1970 indicate a general business practice any of the following:

1971 a. Failing to adopt and implement standards for the proper
 1972 investigation of claims;

Page 68 of 117

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20-00753A-21

202154__

1973 b. Misrepresenting pertinent facts or insurance policy
 1974 provisions relating to coverages at issue;
 1975 c. Failing to acknowledge and act promptly upon
 1976 communications with respect to claims;
 1977 d. Denying claims without conducting reasonable
 1978 investigations based upon available information;
 1979 e. Failing to affirm or deny full or partial coverage of
 1980 claims, and, as to partial coverage, the dollar amount or extent
 1981 of coverage, or failing to provide a written statement that the
 1982 claim is being investigated, upon the written request of the
 1983 insured within 30 days after proof-of-loss statements have been
 1984 completed;
 1985 f. Failing to promptly provide a reasonable explanation in
 1986 writing to the insured of the basis in the insurance policy, in
 1987 relation to the facts or applicable law, for denial of a claim
 1988 or for the offer of a compromise settlement;
 1989 g. Failing to promptly notify the insured of any additional
 1990 information necessary for the processing of a claim; or
 1991 h. Failing to clearly explain the nature of the requested
 1992 information and the reasons why such information is necessary.
 1993 ~~i. Failing to pay personal injury protection insurance~~
 1994 ~~claims within the time periods required by s. 627.736(4)(b). The~~
 1995 ~~office may order the insurer to pay restitution to a~~
 1996 ~~policyholder, medical provider, or other claimant, including~~
 1997 ~~interest at a rate consistent with the amount set forth in s.~~
 1998 ~~55.03(1), for the time period within which an insurer fails to~~
 1999 ~~pay claims as required by law. Restitution is in addition to any~~
 2000 ~~other penalties allowed by law, including, but not limited to,~~
 2001 ~~the suspension of the insurer's certificate of authority.~~

Page 69 of 117

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20-00753A-21

202154__

2002 4. Failing to pay undisputed amounts of partial or full
 2003 benefits owed under first-party property insurance policies
 2004 within 90 days after an insurer receives notice of a residential
 2005 property insurance claim, determines the amounts of partial or
 2006 full benefits, and agrees to coverage, unless payment of the
 2007 undisputed benefits is prevented by an act of God, prevented by
 2008 the impossibility of performance, or due to actions by the
 2009 insured or claimant that constitute fraud, lack of cooperation,
 2010 or intentional misrepresentation regarding the claim for which
 2011 benefits are owed.
 2012 (o) *Illegal dealings in premiums; excess or reduced charges*
 2013 *for insurance.*-
 2014 1. Knowingly collecting any sum as a premium or charge for
 2015 insurance, which is not then provided, or is not in due course
 2016 to be provided, subject to acceptance of the risk by the
 2017 insurer, by an insurance policy issued by an insurer as
 2018 permitted by this code.
 2019 2. Knowingly collecting as a premium or charge for
 2020 insurance any sum in excess of or less than the premium or
 2021 charge applicable to such insurance, in accordance with the
 2022 applicable classifications and rates as filed with and approved
 2023 by the office, and as specified in the policy; or, in cases when
 2024 classifications, premiums, or rates are not required by this
 2025 code to be so filed and approved, premiums and charges collected
 2026 from a Florida resident in excess of or less than those
 2027 specified in the policy and as fixed by the insurer.
 2028 Notwithstanding any other provision of law, this provision shall
 2029 not be deemed to prohibit the charging and collection, by
 2030 surplus lines agents licensed under part VIII of this chapter,

Page 70 of 117

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20-00753A-21

202154__

2031 of the amount of applicable state and federal taxes, or fees as
 2032 authorized by s. 626.916(4), in addition to the premium required
 2033 by the insurer or the charging and collection, by licensed
 2034 agents, of the exact amount of any discount or other such fee
 2035 charged by a credit card facility in connection with the use of
 2036 a credit card, as authorized by subparagraph (q)3., in addition
 2037 to the premium required by the insurer. This subparagraph shall
 2038 not be construed to prohibit collection of a premium for a
 2039 universal life or a variable or indeterminate value insurance
 2040 policy made in accordance with the terms of the contract.

2041 3.a. Imposing or requesting an additional premium for
 2042 bodily injury liability coverage, property damage liability
 2043 coverage a policy of motor vehicle liability, personal injury
 2044 protection, medical payments coverage payment, or collision
 2045 coverage in a motor vehicle liability insurance policy insurancee
 2046 or any combination thereof or refusing to renew the policy
 2047 solely because the insured was involved in a motor vehicle
 2048 accident unless the insurer's file contains information from
 2049 which the insurer in good faith determines that the insured was
 2050 substantially at fault in the accident.

2051 b. An insurer which imposes and collects such a surcharge
 2052 or which refuses to renew such policy shall, in conjunction with
 2053 the notice of premium due or notice of nonrenewal, notify the
 2054 named insured that he or she is entitled to reimbursement of
 2055 such amount or renewal of the policy under the conditions listed
 2056 below and will subsequently reimburse him or her or renew the
 2057 policy, if the named insured demonstrates that the operator
 2058 involved in the accident was:

2059 (I) Lawfully parked;

Page 71 of 117

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20-00753A-21

202154__

2060 (II) Reimbursed by, or on behalf of, a person responsible
 2061 for the accident or has a judgment against such person;

2062 (III) Struck in the rear by another vehicle headed in the
 2063 same direction and was not convicted of a moving traffic
 2064 violation in connection with the accident;

2065 (IV) Hit by a "hit-and-run" driver, if the accident was
 2066 reported to the proper authorities within 24 hours after
 2067 discovering the accident;

2068 (V) Not convicted of a moving traffic violation in
 2069 connection with the accident, but the operator of the other
 2070 automobile involved in such accident was convicted of a moving
 2071 traffic violation;

2072 (VI) Finally adjudicated not to be liable by a court of
 2073 competent jurisdiction;

2074 (VII) In receipt of a traffic citation which was dismissed
 2075 or nolle prossed; or

2076 (VIII) Not at fault as evidenced by a written statement
 2077 from the insured establishing facts demonstrating lack of fault
 2078 which are not rebutted by information in the insurer's file from
 2079 which the insurer in good faith determines that the insured was
 2080 substantially at fault.

2081 c. In addition to the other provisions of this
 2082 subparagraph, an insurer may not fail to renew a policy if the
 2083 insured has had only one accident in which he or she was at
 2084 fault within the current 3-year period. However, an insurer may
 2085 nonrenew a policy for reasons other than accidents in accordance
 2086 with s. 627.728. This subparagraph does not prohibit nonrenewal
 2087 of a policy under which the insured has had three or more
 2088 accidents, regardless of fault, during the most recent 3-year

Page 72 of 117

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20-00753A-21

202154__

2089 period.

2090 4. Imposing or requesting an additional premium for, or
 2091 refusing to renew, a policy for motor vehicle insurance solely
 2092 because the insured committed a noncriminal traffic infraction
 2093 as described in s. 318.14 unless the infraction is:

2094 a. A second infraction committed within an 18-month period,
 2095 or a third or subsequent infraction committed within a 36-month
 2096 period.

2097 b. A violation of s. 316.183, when such violation is a
 2098 result of exceeding the lawful speed limit by more than 15 miles
 2099 per hour.

2100 5. Upon the request of the insured, the insurer and
 2101 licensed agent shall supply to the insured the complete proof of
 2102 fault or other criteria which justifies the additional charge or
 2103 cancellation.

2104 6. No insurer shall impose or request an additional premium
 2105 for motor vehicle insurance, cancel or refuse to issue a policy,
 2106 or refuse to renew a policy because the insured or the applicant
 2107 is a handicapped or physically disabled person, so long as such
 2108 handicap or physical disability does not substantially impair
 2109 such person's mechanically assisted driving ability.

2110 7. No insurer may cancel or otherwise terminate any
 2111 insurance contract or coverage, or require execution of a
 2112 consent to rate endorsement, during the stated policy term for
 2113 the purpose of offering to issue, or issuing, a similar or
 2114 identical contract or coverage to the same insured with the same
 2115 exposure at a higher premium rate or continuing an existing
 2116 contract or coverage with the same exposure at an increased
 2117 premium.

Page 73 of 117

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20-00753A-21

202154__

2118 8. No insurer may issue a nonrenewal notice on any
 2119 insurance contract or coverage, or require execution of a
 2120 consent to rate endorsement, for the purpose of offering to
 2121 issue, or issuing, a similar or identical contract or coverage
 2122 to the same insured at a higher premium rate or continuing an
 2123 existing contract or coverage at an increased premium without
 2124 meeting any applicable notice requirements.

2125 9. No insurer shall, with respect to premiums charged for
 2126 motor vehicle insurance, unfairly discriminate solely on the
 2127 basis of age, sex, marital status, or scholastic achievement.

2128 10. Imposing or requesting an additional premium for motor
 2129 vehicle comprehensive or uninsured motorist coverage solely
 2130 because the insured was involved in a motor vehicle accident or
 2131 was convicted of a moving traffic violation.

2132 11. No insurer shall cancel or issue a nonrenewal notice on
 2133 any insurance policy or contract without complying with any
 2134 applicable cancellation or nonrenewal provision required under
 2135 the Florida Insurance Code.

2136 12. No insurer shall impose or request an additional
 2137 premium, cancel a policy, or issue a nonrenewal notice on any
 2138 insurance policy or contract because of any traffic infraction
 2139 when adjudication has been withheld and no points have been
 2140 assessed pursuant to s. 318.14(9) and (10). However, this
 2141 subparagraph does not apply to traffic infractions involving
 2142 accidents in which the insurer has incurred a loss due to the
 2143 fault of the insured.

2144 Section 36. Paragraph (a) of subsection (1) of section
 2145 626.989, Florida Statutes, is amended to read:

2146 626.989 Investigation by department or Division of

Page 74 of 117

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20-00753A-21

202154__

2147 Investigative and Forensic Services; compliance; immunity;
 2148 confidential information; reports to division; division
 2149 investigator's power of arrest.-

2150 (1) For the purposes of this section:

2151 (a) A person commits a "fraudulent insurance act" if the
 2152 person:

2153 1. Knowingly and with intent to defraud presents, causes to
 2154 be presented, or prepares with knowledge or belief that it will
 2155 be presented, to or by an insurer, self-insurer, self-insurance
 2156 fund, servicing corporation, purported insurer, broker, or any
 2157 agent thereof, any written statement as part of, or in support
 2158 of, an application for the issuance of, or the rating of, any
 2159 insurance policy, or a claim for payment or other benefit
 2160 pursuant to any insurance policy, which the person knows to
 2161 contain materially false information concerning any fact
 2162 material thereto or if the person conceals, for the purpose of
 2163 misleading another, information concerning any fact material
 2164 thereto.

2165 2. Knowingly submits:

2166 a. A false, misleading, or fraudulent application or other
 2167 document when applying for licensure as a health care clinic,
 2168 seeking an exemption from licensure as a health care clinic, or
 2169 demonstrating compliance with part X of chapter 400 with an
 2170 intent to use the license, exemption from licensure, or
 2171 demonstration of compliance to provide services or seek
 2172 reimbursement under a motor vehicle liability insurance policy's
 2173 medical payments coverage ~~the Florida Motor Vehicle No-Fault~~
 2174 ~~Law.~~

2175 b. A claim for payment or other benefit under medical

Page 75 of 117

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20-00753A-21

202154__

2176 payments coverage, pursuant to a personal injury protection
 2177 insurance policy under the Florida Motor Vehicle No-Fault Law if
 2178 the person knows that the payee knowingly submitted a false,
 2179 misleading, or fraudulent application or other document when
 2180 applying for licensure as a health care clinic, seeking an
 2181 exemption from licensure as a health care clinic, or
 2182 demonstrating compliance with part X of chapter 400.

2183 Section 37. Subsection (1) of section 627.06501, Florida
 2184 Statutes, is amended to read:

2185 627.06501 Insurance discounts for certain persons
 2186 completing driver improvement course.-

2187 (1) Any rate, rating schedule, or rating manual for the
 2188 liability, medical payments ~~personal injury protection~~, and
 2189 collision coverages of a motor vehicle insurance policy filed
 2190 with the office may provide for an appropriate reduction in
 2191 premium charges as to such coverages if when the principal
 2192 operator on the covered vehicle has successfully completed a
 2193 driver improvement course approved and certified by the
 2194 Department of Highway Safety and Motor Vehicles which is
 2195 effective in reducing crash or violation rates, or both, as
 2196 determined pursuant to s. 318.1451(5). Any discount, not to
 2197 exceed 10 percent, used by an insurer is presumed to be
 2198 appropriate unless credible data demonstrates otherwise.

2199 Section 38. Subsection (15) is added to section 627.0651,
 2200 Florida Statutes, to read:

2201 627.0651 Making and use of rates for motor vehicle
 2202 insurance.-

2203 (15) Initial rate filings for motor vehicle liability
 2204 policies which are submitted to the office on or after January

Page 76 of 117

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20-00753A-21 202154__

2205 1, 2022, must reflect the financial responsibility requirements
 2206 in s. 324.022 then in effect and may be approved only through
 2207 the file and use process under s. 627.0651(1)(a).

2208 Section 39. Subsection (1) of section 627.0652, Florida
 2209 Statutes, is amended to read:

2210 627.0652 Insurance discounts for certain persons completing
 2211 safety course.-

2212 (1) Any rates, rating schedules, or rating manuals for the
 2213 liability, medical payments ~~personal injury protection~~, and
 2214 collision coverages of a motor vehicle insurance policy filed
 2215 with the office must ~~shall~~ provide for an appropriate reduction
 2216 in premium charges as to such coverages if ~~when~~ the principal
 2217 operator on the covered vehicle is an insured 55 years of age or
 2218 older who has successfully completed a motor vehicle accident
 2219 prevention course approved by the Department of Highway Safety
 2220 and Motor Vehicles. Any discount used by an insurer is presumed
 2221 to be appropriate unless credible data demonstrates otherwise.

2222 Section 40. Subsections (1), (3), and (6) of section
 2223 627.0653, Florida Statutes, are amended to read:

2224 627.0653 Insurance discounts for specified motor vehicle
 2225 equipment.-

2226 (1) Any rates, rating schedules, or rating manuals for the
 2227 liability, medical payments ~~personal injury protection~~, and
 2228 collision coverages of a motor vehicle insurance policy filed
 2229 with the office must ~~shall~~ provide a premium discount if the
 2230 insured vehicle is equipped with factory-installed, four-wheel
 2231 antilock brakes.

2232 (3) Any rates, rating schedules, or rating manuals for
 2233 ~~personal injury protection coverage and medical payments~~

Page 77 of 117

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20-00753A-21 202154__

2234 coverage, ~~if offered~~, of a motor vehicle insurance policy filed
 2235 with the office must ~~shall~~ provide a premium discount if the
 2236 insured vehicle is equipped with one or more air bags that ~~which~~
 2237 are factory installed.

2238 (6) The Office of Insurance Regulation may approve a
 2239 premium discount to any rates, rating schedules, or rating
 2240 manuals for the liability, medical payments ~~personal injury~~
 2241 ~~protection~~, and collision coverages of a motor vehicle insurance
 2242 policy filed with the office if the insured vehicle is equipped
 2243 with an automated driving system or electronic vehicle collision
 2244 avoidance technology that is factory installed or a retrofitted
 2245 system and that complies with National Highway Traffic Safety
 2246 Administration standards.

2247 Section 41. Section 627.4132, Florida Statutes, is amended
 2248 to read:

2249 627.4132 Stacking of coverages prohibited.-If an insured or
 2250 named insured is protected by any type of motor vehicle
 2251 insurance policy for bodily injury and property damage
 2252 ~~liability, personal injury protection, or other coverage~~, the
 2253 policy must ~~shall~~ provide that the insured or named insured is
 2254 protected only to the extent of the coverage she or he has on
 2255 the vehicle involved in the accident. However, if none of the
 2256 insured's or named insured's vehicles are ~~is~~ involved in the
 2257 accident, coverage is available only to the extent of coverage
 2258 on any one of the vehicles with applicable coverage. Coverage on
 2259 any other vehicles may ~~shall~~ not be added to or stacked upon
 2260 that coverage. This section does not ~~apply~~:

2261 (1) Apply to uninsured motorist coverage that ~~which~~ is
 2262 separately governed by s. 627.727.

Page 78 of 117

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20-00753A-21

202154__

2263 (2) ~~Te~~ Reduce the coverage available by reason of insurance
2264 policies insuring different named insureds.

2265 Section 42. Subsection (1) of section 627.4137, Florida
2266 Statutes, is amended to read:

2267 627.4137 Disclosure of certain information required.—

2268 (1) Each insurer which does or may provide liability
2269 insurance coverage to pay all or a portion of any claim which
2270 might be made shall provide, within 30 days of the written
2271 request of the claimant or the claimant's attorney, a statement,
2272 under oath, of a corporate officer or the insurer's claims
2273 manager or superintendent setting forth the following
2274 information with regard to each known policy of insurance,
2275 including excess or umbrella insurance:

2276 (a) The name of the insurer.

2277 (b) The name of each insured.

2278 (c) The limits of the liability coverage.

2279 (d) A statement of any policy or coverage defense which
2280 such insurer reasonably believes is available to such insurer at
2281 the time of filing such statement.

2282 (e) A copy of the policy.

2283
2284 In addition, the insured, or her or his insurance agent, upon
2285 written request of the claimant or the claimant's attorney,
2286 shall disclose the name and coverage of each known insurer to
2287 the claimant and shall forward such request for information as
2288 required by this subsection to all affected insurers. The
2289 insurer shall then supply the information required in this
2290 subsection to the claimant within 30 days of receipt of such
2291 request. If an insurer fails to timely comply with this section,

Page 79 of 117

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20-00753A-21

202154__

2292 the claimant may file an action in a court of competent
2293 jurisdiction to enforce this section. If the court determines
2294 that the insurer violated this section, the claimant is entitled
2295 to an award of reasonable attorney fees and costs to be paid by
2296 the insurer.

2297 Section 43. Section 627.7263, Florida Statutes, is amended
2298 to read:

2299 627.7263 Rental and leasing driver's insurance to be
2300 primary; exception.—

2301 (1) The valid and collectible liability insurance and
2302 medical payments coverage ~~or personal injury protection~~
2303 ~~insurance providing coverage~~ for the lessor of a motor vehicle
2304 for rent or lease is primary unless otherwise stated in at least
2305 10-point type on the face of the rental or lease agreement. Such
2306 insurance is primary for the limits of liability and personal
2307 ~~injury protection~~ coverage as required by s. 324.021(7) and the
2308 medical payments coverage limit specified under s. 627.7265 ~~ss-~~
2309 ~~324.021(7) and 627.736.~~

2310 (2) If the lessee's coverage is to be primary, the rental
2311 or lease agreement must contain the following language, in at
2312 least 10-point type:

2313
2314 "The valid and collectible liability insurance and
2315 medical payments coverage ~~personal injury protection~~
2316 ~~insurance~~ of an any authorized rental or leasing
2317 driver is primary for the limits of liability and
2318 ~~personal injury protection~~ coverage required under
2319 section 324.021(7), Florida Statutes, and the medical
2320 payments coverage limit specified under section

Page 80 of 117

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20-00753A-21

202154__

2321 627.7265 ~~by ss. 324.021(7) and 627.736~~, Florida
 2322 Statutes.”
 2323 Section 44. Section 627.7265, Florida Statutes, is created
 2324 to read:
 2325 627.7265 Motor vehicle insurance; medical payments
 2326 coverage.—
 2327 (1) Medical payments coverage must protect the named
 2328 insured, resident relatives, persons operating the insured motor
 2329 vehicle, passengers in the insured motor vehicle, and persons
 2330 who are struck by the insured motor vehicle and suffer bodily
 2331 injury while not an occupant of a self-propelled motor vehicle
 2332 at a limit of at least \$5,000 for medical expense incurred due
 2333 to bodily injury, sickness, or disease arising out of the
 2334 ownership, maintenance, or use of a motor vehicle. Medical
 2335 payments coverage must pay for reasonable expenses for necessary
 2336 medical, diagnostic, and rehabilitative services that are
 2337 lawfully provided, supervised, ordered, or prescribed by a
 2338 physician licensed under chapter 458 or chapter 459, by a
 2339 dentist licensed under chapter 466, or by a chiropractic
 2340 physician licensed under chapter 460 or that are provided in a
 2341 hospital or in a facility that owns, or is wholly owned by, a
 2342 hospital. The coverage must provide an additional death benefit
 2343 of at least \$5,000.
 2344 (a) Before issuing a motor vehicle liability insurance
 2345 policy that is furnished as proof of financial responsibility
 2346 under s. 324.031, the insurer must offer medical payments
 2347 coverage at limits of \$5,000 and \$10,000. The insurer may also
 2348 offer medical payments coverage at any limit greater than
 2349 \$5,000.

Page 81 of 117

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20-00753A-21

202154__

2350 (b) The medical payments coverage must be offered with an
 2351 option with no deductible. The insurer may also offer medical
 2352 payments coverage with a deductible not to exceed \$500.
 2353 (c) This section may not be construed to limit any other
 2354 coverage made available by an insurer.
 2355 (2) Upon receiving notice of an accident that is
 2356 potentially covered by medical payments coverage benefits, the
 2357 insurer must reserve \$5,000 of medical payments coverage
 2358 benefits for payment to physicians licensed under chapter 458 or
 2359 chapter 459 or dentists licensed under chapter 466 who provide
 2360 emergency services and care, as defined in s. 395.002, or who
 2361 provide hospital inpatient care. The amount required to be held
 2362 in reserve may be used only to pay claims from such physicians
 2363 or dentists until 30 days after the date the insurer receives
 2364 notice of the accident. After the 30-day period, any amount of
 2365 the reserve for which the insurer has not received notice of
 2366 such claims may be used by the insurer to pay other claims. This
 2367 subsection does not require an insurer to establish a claim
 2368 reserve for insurance accounting purposes.
 2369 (3) An insurer providing medical payments coverage benefits
 2370 may not:
 2371 (a) Seek a lien on any recovery in tort by judgment,
 2372 settlement, or otherwise for medical payments coverage benefits,
 2373 regardless of whether suit has been filed or settlement has been
 2374 reached without suit; or
 2375 (b) Bring a cause of action against a person to whom or for
 2376 whom medical payments coverage benefits were paid, except when
 2377 medical payments coverage benefits were paid by reason of fraud
 2378 committed by that person.

Page 82 of 117

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20-00753A-21

202154__

2379 (4) An insurer providing medical payments coverage may
 2380 include provisions in its policy allowing for subrogation for
 2381 medical payments coverage benefits paid if the expenses giving
 2382 rise to the payments were caused by the wrongful act or omission
 2383 of another who is not also an insured under the policy paying
 2384 the medical payments coverage benefits. However, this
 2385 subrogation right is inferior to the rights of the injured
 2386 insured and is available only after all the insured's damages
 2387 are recovered and the insured is made whole. An insured who
 2388 obtains a recovery from a third party of the full amount of the
 2389 damages sustained and delivers a release or satisfaction that
 2390 impairs a medical payments insurer's subrogation right is liable
 2391 to the insurer for repayment of medical payments coverage
 2392 benefits less any expenses of acquiring the recovery, including
 2393 a prorated share of attorney fees and costs, and shall hold that
 2394 net recovery in trust to be delivered to the medical payments
 2395 insurer. The insurer may not include any provision in its policy
 2396 allowing for subrogation for any death benefit paid.

2397 Section 45. Subsections (1) and (7) of section 627.727,
 2398 Florida Statutes, are amended to read:

2399 627.727 Motor vehicle insurance; uninsured and underinsured
 2400 vehicle coverage; insolvent insurer protection.—

2401 (1) A ~~No~~ motor vehicle liability insurance policy that
 2402 ~~which~~ provides bodily injury liability coverage may not shall be
 2403 delivered or issued for delivery in this state with respect to
 2404 any specifically insured or identified motor vehicle registered
 2405 or principally garaged in this state, unless uninsured motor
 2406 vehicle coverage is provided therein or supplemental thereto for
 2407 the protection of persons insured thereunder who are legally

Page 83 of 117

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20-00753A-21

202154__

2408 entitled to recover damages from owners or operators of
 2409 uninsured motor vehicles because of bodily injury, sickness, or
 2410 disease, including death, resulting therefrom. However, the
 2411 coverage required under this section is not applicable ~~if~~ when,
 2412 or to the extent that, an insured named in the policy makes a
 2413 written rejection of the coverage on behalf of all insureds
 2414 under the policy. ~~If~~ When a motor vehicle is leased for a ~~period~~
 2415 ~~of~~ 1 year or longer and the lessor of such vehicle, by the terms
 2416 of the lease contract, provides liability coverage on the leased
 2417 vehicle, the lessee of such vehicle has ~~shall have~~ the sole
 2418 privilege to reject uninsured motorist coverage or to select
 2419 lower limits than the bodily injury liability limits, regardless
 2420 of whether the lessor is qualified as a self-insurer pursuant to
 2421 s. 324.171. Unless an insured, or a lessee having the privilege
 2422 of rejecting uninsured motorist coverage, requests such coverage
 2423 or requests higher uninsured motorist limits in writing, the
 2424 coverage or such higher uninsured motorist limits need not be
 2425 provided in or supplemental to any other policy that ~~which~~
 2426 renews, extends, changes, supersedes, or replaces an existing
 2427 policy with the same bodily injury liability limits when an
 2428 insured or lessee had rejected the coverage. When an insured or
 2429 lessee has initially selected limits of uninsured motorist
 2430 coverage lower than her or his bodily injury liability limits,
 2431 higher limits of uninsured motorist coverage need not be
 2432 provided in or supplemental to any other policy that ~~which~~
 2433 renews, extends, changes, supersedes, or replaces an existing
 2434 policy with the same bodily injury liability limits unless an
 2435 insured requests higher uninsured motorist coverage in writing.
 2436 The rejection or selection of lower limits must ~~shall~~ be made on

Page 84 of 117

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20-00753A-21

202154__

2437 a form approved by the office. The form ~~must shall~~ fully advise
 2438 the applicant of the nature of the coverage and ~~must shall~~ state
 2439 that the coverage is equal to bodily injury liability limits
 2440 unless lower limits are requested or the coverage is rejected.
 2441 The heading of the form ~~must shall~~ be in 12-point bold type and
 2442 ~~must shall~~ state: "You are electing not to purchase certain
 2443 valuable coverage ~~that which~~ protects you and your family or you
 2444 are purchasing uninsured motorist limits less than your bodily
 2445 injury liability limits when you sign this form. Please read
 2446 carefully." If this form is signed by a named insured, it will
 2447 be conclusively presumed that there was an informed, knowing
 2448 rejection of coverage or election of lower limits on behalf of
 2449 all insureds. The insurer shall notify the named insured at
 2450 least annually of her or his options as to the coverage required
 2451 by this section. Such notice ~~must shall~~ be part of, and attached
 2452 to, the notice of premium, ~~must shall~~ provide for a means to
 2453 allow the insured to request such coverage, and ~~must shall~~ be
 2454 given in a manner approved by the office. Receipt of this notice
 2455 does not constitute an affirmative waiver of the insured's right
 2456 to uninsured motorist coverage ~~if where~~ the insured has not
 2457 signed a selection or rejection form. The coverage described
 2458 under this section ~~must shall~~ be over and above, but ~~may shall~~
 2459 not duplicate, the benefits available to an insured under any
 2460 workers' compensation law, ~~personal injury protection benefits,~~
 2461 disability benefits law, or similar law; under any automobile
 2462 medical ~~payments expense~~ coverage; under any motor vehicle
 2463 liability insurance coverage; or from the owner or operator of
 2464 the uninsured motor vehicle or any other person or organization
 2465 jointly or severally liable together with such owner or operator

Page 85 of 117

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20-00753A-21

202154__

2466 for the accident,^r and such coverage ~~must shall~~ cover the
 2467 difference, if any, between the sum of such benefits and the
 2468 damages sustained, up to the maximum amount of such coverage
 2469 provided under this section. The amount of coverage available
 2470 under this section ~~may shall~~ not be reduced by a setoff against
 2471 any coverage, including liability insurance. Such coverage does
 2472 ~~shall~~ not inure directly or indirectly to the benefit of any
 2473 workers' compensation or disability benefits carrier or any
 2474 person or organization qualifying as a self-insurer under any
 2475 workers' compensation or disability benefits law or similar law.
 2476 (7) The legal liability of an uninsured motorist coverage
 2477 insurer includes ~~does not include~~ damages in tort for pain,
 2478 suffering, disability or physical impairment, disfigurement,
 2479 mental anguish, ~~and~~ inconvenience, and the loss of capacity for
 2480 the enjoyment of life experienced in the past and to be
 2481 experienced in the future unless the injury or disease is
 2482 described in one or more of paragraphs (a) - (d) of s. 627.737(2).
 2483 Section 46. Subsection (1) and paragraphs (a) and (b) of
 2484 subsection (2) of section 627.7275, Florida Statutes, are
 2485 amended to read:
 2486 627.7275 Motor vehicle liability.-
 2487 (1) A motor vehicle insurance policy ~~providing personal~~
 2488 ~~injury protection as set forth in s. 627.736~~ may not be
 2489 delivered or issued for delivery in this state for a with
 2490 ~~respect to any~~ specifically insured or identified motor vehicle
 2491 registered or principally garaged in this state must provide
 2492 bodily injury liability coverage and unless the policy also
 2493 provides coverage for property damage liability coverage as
 2494 required under by s. 324.022.

Page 86 of 117

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20-00753A-21

202154__

2495 (2) (a) Insurers writing motor vehicle insurance in this
 2496 state shall make available, subject to the insurers' usual
 2497 underwriting restrictions:

2498 1. Coverage under policies as described in subsection (1)
 2499 to an applicant for private passenger motor vehicle insurance
 2500 coverage who is seeking the coverage in order to reinstate the
 2501 applicant's driving privileges in this state if the driving
 2502 privileges were revoked or suspended pursuant to s. 316.646 or
 2503 s. 324.0221 due to the failure of the applicant to maintain
 2504 required security.

2505 2. Coverage under policies as described in subsection (1),
 2506 which includes bodily injury ~~also provides~~ liability coverage
 2507 and property damage liability coverage, for bodily injury,
 2508 ~~death, and property damage arising out of the ownership,~~
 2509 ~~maintenance, or use of the motor vehicle~~ in an amount not less
 2510 than the minimum limits required under described in s.
 2511 324.021(7) or s. 324.023 and which conforms to the requirements
 2512 of s. 324.151, to an applicant for private passenger motor
 2513 vehicle insurance coverage who is seeking the coverage in order
 2514 to reinstate the applicant's driving privileges in this state
 2515 after such privileges were revoked or suspended under s. 316.193
 2516 or s. 322.26(2) for driving under the influence.

2517 (b) The policies described in paragraph (a) ~~must shall~~ be
 2518 issued for at least 6 months and, as to the minimum coverages
 2519 required under this section, may not be canceled by the insured
 2520 for any reason or by the insurer after 60 days, during which
 2521 period the insurer is completing the underwriting of the policy.
 2522 After the insurer has completed underwriting the policy, the
 2523 insurer shall notify the Department of Highway Safety and Motor

Page 87 of 117

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20-00753A-21

202154__

2524 Vehicles that the policy is in full force and effect and is not
 2525 cancelable for the remainder of the policy period. A premium
 2526 ~~must shall~~ be collected and the coverage is in effect for the
 2527 60-day period during which the insurer is completing the
 2528 underwriting of the policy, whether or not the person's driver
 2529 license, motor vehicle tag, and motor vehicle registration are
 2530 in effect. Once the noncancelable provisions of the policy
 2531 become effective, the bodily injury liability and property
 2532 damage liability coverages ~~for bodily injury, property damage,~~
 2533 ~~and personal injury protection~~ may not be reduced below the
 2534 minimum limits required under s. 324.021 or s. 324.023 during
 2535 the policy period.

2536 Section 47. Effective upon this act becoming a law, section
 2537 627.7278, Florida Statutes, is created to read:

2538 627.7278 Applicability and construction; notice to
 2539 policyholders.-

2540 (1) As used in this section, the term "minimum security
 2541 requirements" means security that enables a person to respond in
 2542 damages for liability on account of crashes arising out of the
 2543 ownership, maintenance, or use of a motor vehicle, in the
 2544 amounts required by s. 324.021(7).

2545 (2) Effective January 1, 2022:

2546 (a) Motor vehicle insurance policies issued or renewed on
 2547 or after that date may not include personal injury protection.

2548 (b) All persons subject to s. 324.022, s. 324.032, s.
 2549 627.7415, or s. 627.742 must maintain at least minimum security
 2550 requirements.

2551 (c) Any new or renewal motor vehicle insurance policy
 2552 delivered or issued for delivery in this state must provide

Page 88 of 117

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20-00753A-21

202154__

2553 coverage that complies with minimum security requirements.
 2554 (d) An existing motor vehicle insurance policy issued
 2555 before that date which provides personal injury protection and
 2556 property damage liability coverage that meets the requirements
 2557 of s. 324.022 on December 31, 2021, but which does not meet
 2558 minimum security requirements on or after January 1, 2022, is
 2559 deemed to meet the security requirements of s. 324.022 until
 2560 such policy is renewed, nonrenewed, or canceled on or after
 2561 January 1, 2022. Sections 627.730-627.7405, 400.9905, 400.991,
 2562 456.057, 456.072, 627.7263, 627.727, 627.748, 627.9541(1)(i),
 2563 and 817.234, Florida Statutes 2020, remain in full force and
 2564 effect for motor vehicle accidents covered under a policy issued
 2565 under the Florida Motor Vehicle No-Fault Law before January 1,
 2566 2022, until the policy is renewed, nonrenewed, or canceled.
 2567 (3) Each insurer shall allow each insured who has a new or
 2568 renewal policy providing personal injury protection which
 2569 becomes effective before January 1, 2022, and whose policy does
 2570 not meet minimum security requirements on or after January 1,
 2571 2022, to change coverages so as to eliminate personal injury
 2572 protection and obtain coverage providing minimum security
 2573 requirements, which shall be effective on or after January 1,
 2574 2022. The insurer is not required to provide coverage complying
 2575 with minimum security requirements in such policies if the
 2576 insured does not pay the required premium, if any, by January 1,
 2577 2022, or such later date as the insurer may allow. The insurer
 2578 also shall offer each insured medical payments coverage pursuant
 2579 to s. 627.7265. Any reduction in the premium must be refunded by
 2580 the insurer. The insurer may not impose on the insured an
 2581 additional fee or charge that applies solely to a change in

Page 89 of 117

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20-00753A-21

202154__

2582 coverage; however, the insurer may charge an additional required
 2583 premium that is actuarially indicated.
 2584 (4) By September 1, 2021, each motor vehicle insurer shall
 2585 provide notice of this section to each motor vehicle
 2586 policyholder who is subject to this section. The notice is
 2587 subject to approval by the office and must clearly inform the
 2588 policyholder that:
 2589 (a) The Florida Motor Vehicle No-Fault Law is repealed
 2590 effective January 1, 2022, and that on or after that date, the
 2591 insured is no longer required to maintain personal injury
 2592 protection insurance coverage, that personal injury protection
 2593 coverage is no longer available for purchase in this state, and
 2594 that all new or renewal policies issued on or after that date
 2595 will not contain that coverage.
 2596 (b) Effective January 1, 2022, a person subject to the
 2597 financial responsibility requirements of s. 324.022 must
 2598 maintain minimum security requirements that enable the person to
 2599 respond to damages for liability on account of accidents arising
 2600 out of the use of a motor vehicle in the following amounts:
 2601 1. Twenty-five thousand dollars for bodily injury to, or
 2602 the death of, one person in any one crash and, subject to such
 2603 limits for one person, in the amount of \$50,000 for bodily
 2604 injury to, or the death of, two or more persons in any one
 2605 crash; and
 2606 2. Ten thousand dollars for damage to, or destruction of,
 2607 the property of others in any one crash.
 2608 (c) Bodily injury liability coverage protects the insured,
 2609 up to the coverage limits, against loss if the insured is
 2610 legally responsible for the death of or bodily injury to others

Page 90 of 117

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20-00753A-21

202154__

2611 in a motor vehicle accident.

2612 (d) Effective January 1, 2022, each policyholder of motor
 2613 vehicle liability insurance purchased as proof of financial
 2614 responsibility must be offered medical payments coverage
 2615 benefits that comply with s. 627.7265. The insurer must offer
 2616 medical payments coverage at limits of \$5,000 and \$10,000
 2617 without a deductible. The insurer may also offer medical
 2618 payments coverage at other limits greater than \$5,000, and may
 2619 offer coverage with a deductible of up to \$500. Medical payments
 2620 coverage pays covered medical expenses, up to the limits of such
 2621 coverage, for injuries sustained in a motor vehicle crash by the
 2622 named insured, resident relatives, persons operating the insured
 2623 motor vehicle, passengers in the insured motor vehicle, and
 2624 persons who are struck by the insured motor vehicle and suffer
 2625 bodily injury while not an occupant of a self-propelled motor
 2626 vehicle as provided in s. 627.7265. Medical payments coverage
 2627 pays for reasonable expenses for necessary medical, diagnostic,
 2628 and rehabilitative services that are lawfully provided,
 2629 supervised, ordered, or prescribed by a physician licensed under
 2630 chapter 458 or chapter 459, by a dentist licensed under chapter
 2631 466, or by a chiropractic physician licensed under chapter 460
 2632 or that are provided in a hospital or in a facility that owns,
 2633 or is wholly owned by, a hospital. Medical payments coverage
 2634 also provides a death benefit of at least \$5,000.

2635 (e) The policyholder may obtain uninsured and underinsured
 2636 motorist coverage, which provides benefits, up to the limits of
 2637 such coverage, to a policyholder or other insured entitled to
 2638 recover damages for bodily injury, sickness, disease, or death
 2639 resulting from a motor vehicle accident with an uninsured or

Page 91 of 117

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20-00753A-21

202154__

2640 underinsured owner or operator of a motor vehicle.

2641 (f) If the policyholder's new or renewal motor vehicle
 2642 insurance policy is effective before January 1, 2022, and
 2643 contains personal injury protection and property damage
 2644 liability coverage as required by state law before January 1,
 2645 2022, but does not meet minimum security requirements on or
 2646 after January 1, 2022, the policy is deemed to meet minimum
 2647 security requirements until it is renewed, nonrenewed, or
 2648 canceled on or after January 1, 2022.

2649 (g) A policyholder whose new or renewal policy becomes
 2650 effective before January 1, 2022, but does not meet minimum
 2651 security requirements on or after January 1, 2022, may change
 2652 coverages under the policy so as to eliminate personal injury
 2653 protection and to obtain coverage providing minimum security
 2654 requirements, including bodily injury liability coverage, which
 2655 are effective on or after January 1, 2022.

2656 (h) If the policyholder has any questions, he or she should
 2657 contact the person named at the telephone number provided in the
 2658 notice.

2659 Section 48. Paragraph (a) of subsection (1) of section
 2660 627.728, Florida Statutes, is amended to read:

2661 627.728 Cancellations; nonrenewals.—

2662 (1) As used in this section, the term:

2663 (a) "Policy" means the bodily injury and property damage
 2664 liability, ~~personal injury protection~~, medical payments,
 2665 comprehensive, collision, and uninsured motorist coverage
 2666 portions of a policy of motor vehicle insurance delivered or
 2667 issued for delivery in this state:

2668 1. Insuring a natural person as named insured or one or

Page 92 of 117

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20-00753A-21

202154__

2669 more related individuals who are residents ~~resident~~ of the same
2670 household; and

2671 2. Insuring only a motor vehicle of the private passenger
2672 type or station wagon type which is not used as a public or
2673 livery conveyance for passengers or rented to others; or
2674 insuring any other four-wheel motor vehicle having a load
2675 capacity of 1,500 pounds or less which is not used in the
2676 occupation, profession, or business of the insured other than
2677 farming; other than any policy issued under an automobile
2678 insurance assigned risk plan or covering garage, automobile
2679 sales agency, repair shop, service station, or public parking
2680 place operation hazards.

2681

2682 The term "policy" does not include a binder as defined in s.
2683 627.420 unless the duration of the binder period exceeds 60
2684 days.

2685 Section 49. Subsection (1), paragraph (a) of subsection
2686 (5), and subsections (6) and (7) of section 627.7295, Florida
2687 Statutes, are amended to read:

2688 627.7295 Motor vehicle insurance contracts.—

2689 (1) As used in this section, the term:

2690 (a) "Policy" means a motor vehicle insurance policy that
2691 provides bodily injury liability ~~personal injury protection~~
2692 coverage and ~~property damage liability coverage, or both.~~

2693 (b) "Binder" means a binder that provides motor vehicle
2694 bodily injury liability coverage ~~personal injury protection~~ and
2695 property damage liability coverage.

2696 (5) (a) A licensed general lines agent may charge a per-
2697 policy fee of up to ~~not to exceed~~ \$10 to cover the

Page 93 of 117

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20-00753A-21

202154__

2698 administrative costs of the agent associated with selling the
2699 motor vehicle insurance policy if the policy covers only bodily
2700 injury liability coverage ~~personal injury protection coverage as~~
2701 ~~provided by s. 627.736~~ and property damage liability coverage as
2702 provided by s. 627.7275 and if no other insurance is sold or
2703 issued in conjunction with or collateral to the policy. The fee
2704 is not ~~considered~~ part of the premium.

2705 (6) If a motor vehicle owner's driver license, license
2706 plate, and registration have previously been suspended pursuant
2707 to s. 316.646 ~~or s. 627.733~~, an insurer may cancel a new policy
2708 only as provided in s. 627.7275.

2709 (7) A policy of private passenger motor vehicle insurance
2710 or a binder for such a policy may be initially issued in this
2711 state only if, before the effective date of such binder or
2712 policy, the insurer or agent has collected from the insured an
2713 amount equal to at least 1 month's premium. An insurer, agent,
2714 or premium finance company may not, directly or indirectly, take
2715 any action that results ~~resulting~~ in the insured paying ~~having~~
2716 ~~paid~~ from the insured's own funds an amount less than the 1
2717 month's premium required by this subsection. This subsection
2718 applies without regard to whether the premium is financed by a
2719 premium finance company or is paid pursuant to a periodic
2720 payment plan of an insurer or an insurance agent.

2721 (a) This subsection does not apply:

2722 1. If an insured or member of the insured's family is
2723 renewing or replacing a policy or a binder for such policy
2724 written by the same insurer or a member of the same insurer
2725 group. ~~This subsection does not apply~~

2726 2. To an insurer that issues private passenger motor

Page 94 of 117

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20-00753A-21

202154__

2727 vehicle coverage primarily to active duty or former military
2728 personnel or their dependents. ~~This subsection does not apply~~

2729 3. If all policy payments are paid pursuant to a payroll
2730 deduction plan, an automatic electronic funds transfer payment
2731 plan from the policyholder, or a recurring credit card or debit
2732 card agreement with the insurer.

2733 (b) This subsection and subsection (4) do not apply if:

2734 1. All policy payments to an insurer are paid pursuant to
2735 an automatic electronic funds transfer payment plan from an
2736 agent, a managing general agent, or a premium finance company
2737 and if the policy includes, at a minimum, bodily injury
2738 liability coverage and personal injury protection pursuant to
2739 ~~ss. 627.730-627.7405; motor vehicle property damage liability~~
2740 coverage pursuant to s. 627.7275; or and bodily injury liability
2741 ~~in at least the amount of \$10,000 because of bodily injury to,~~
2742 ~~or death of, one person in any one accident and in the amount of~~
2743 ~~\$20,000 because of bodily injury to, or death of, two or more~~
2744 ~~persons in any one accident. This subsection and subsection (4)~~
2745 ~~do not apply if~~

2746 2. An insured has had a policy in effect for at least 6
2747 months, the insured's agent is terminated by the insurer that
2748 issued the policy, and the insured obtains coverage on the
2749 policy's renewal date with a new company through the terminated
2750 agent.

2751 Section 50. Section 627.7415, Florida Statutes, is amended
2752 to read:

2753 627.7415 Commercial motor vehicles; additional liability
2754 insurance coverage.—Beginning January 1, 2022, commercial motor
2755 vehicles, as defined in s. 207.002 or s. 320.01, operated upon

Page 95 of 117

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20-00753A-21

202154__

2756 the roads and highways of this state must ~~shall~~ be insured with
2757 the following minimum levels of combined bodily liability
2758 insurance and property damage liability insurance in addition to
2759 any other insurance requirements:

2760 (1) ~~Sixty Fifty~~ twenty thousand dollars per occurrence for a
2761 commercial motor vehicle with a gross vehicle weight of 26,000
2762 pounds or more, but less than 35,000 pounds.

2763 (2) One hundred twenty thousand dollars per occurrence for
2764 a commercial motor vehicle with a gross vehicle weight of 35,000
2765 pounds or more, but less than 44,000 pounds.

2766 (3) Three hundred thousand dollars per occurrence for a
2767 commercial motor vehicle with a gross vehicle weight of 44,000
2768 pounds or more.

2769 (4) All commercial motor vehicles subject to regulations of
2770 the United States Department of Transportation, 49 C.F.R. part
2771 387, subpart A, and as may be hereinafter amended, shall be
2772 insured in an amount equivalent to the minimum levels of
2773 financial responsibility as set forth in such regulations.

2774
2775 A violation of this section is a noncriminal traffic infraction,
2776 punishable as a nonmoving violation as provided in chapter 318.

2777 Section 51. Section 627.747, Florida Statutes, is created
2778 to read:

2779 627.747 Named driver exclusion.—

2780 (1) A private passenger motor vehicle policy may exclude an
2781 identified individual from the following coverages while the
2782 identified individual is operating a motor vehicle, provided
2783 that the identified individual is specifically excluded by name
2784 on the declarations page or by endorsement, and the policyholder

Page 96 of 117

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20-00753A-21

202154__

2785 consents in writing to the exclusion:

2786 (a) Property damage liability coverage.

2787 (b) Bodily injury liability coverage.

2788 (c) Uninsured motorist coverage for any damages sustained
2789 by the identified excluded individual, if the policyholder has
2790 purchased such coverage.

2791 (d) Any coverage the policyholder is not required by law to
2792 purchase.

2793 (2) A private passenger motor vehicle policy may not
2794 exclude coverage when:

2795 (a) The identified excluded individual is injured while not
2796 operating a motor vehicle;

2797 (b) The exclusion is unfairly discriminatory under the
2798 Florida Insurance Code, as determined by the office; or

2799 (c) The exclusion is inconsistent with the underwriting
2800 rules filed by the insurer pursuant to s. 627.0651(13)(a).

2801 Section 52. Paragraphs (b), (c), and (g) of subsection (7),
2802 paragraphs (a) and (b) of subsection (8), and paragraph (b) of
2803 subsection (16) of section 627.748, Florida Statutes, are
2804 amended to read:

2805 627.748 Transportation network companies.—

2806 (7) TRANSPORTATION NETWORK COMPANY AND TNC DRIVER INSURANCE
2807 REQUIREMENTS.—

2808 (b) The following automobile insurance requirements apply
2809 while a participating TNC driver is logged on to the digital
2810 network but is not engaged in a prearranged ride:

2811 1. Automobile insurance that provides:

2812 a. A primary automobile liability coverage of at least
2813 \$50,000 for death and bodily injury per person, \$100,000 for

Page 97 of 117

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20-00753A-21

202154__

2814 death and bodily injury per incident, and \$25,000 for property
2815 damage; and

2816 ~~b. Personal injury protection benefits that meet the~~
2817 ~~minimum coverage amounts required under ss. 627.730-627.7405;~~

2818 ~~and~~

2819 ~~e.~~ Uninsured and underinsured vehicle coverage as required
2820 by s. 627.727.

2821 2. The coverage requirements of this paragraph may be
2822 satisfied by any of the following:

2823 a. Automobile insurance maintained by the TNC driver or the
2824 TNC vehicle owner;

2825 b. Automobile insurance maintained by the TNC; or

2826 c. A combination of sub-subparagraphs a. and b.

2827 (c) The following automobile insurance requirements apply
2828 while a TNC driver is engaged in a prearranged ride:

2829 1. Automobile insurance that provides:

2830 a. A primary automobile liability coverage of at least \$1
2831 million for death, bodily injury, and property damage; and

2832 ~~b. Personal injury protection benefits that meet the~~
2833 ~~minimum coverage amounts required of a limousine under ss.~~

2834 ~~627.730-627.7405; and~~

2835 ~~e.~~ Uninsured and underinsured vehicle coverage as required
2836 by s. 627.727.

2837 2. The coverage requirements of this paragraph may be
2838 satisfied by any of the following:

2839 a. Automobile insurance maintained by the TNC driver or the
2840 TNC vehicle owner;

2841 b. Automobile insurance maintained by the TNC; or

2842 c. A combination of sub-subparagraphs a. and b.

Page 98 of 117

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20-00753A-21

202154__

2843 (g) Insurance satisfying the requirements under this
 2844 subsection is deemed to satisfy the financial responsibility
 2845 requirement for a motor vehicle under chapter 324 ~~and the~~
 2846 ~~security required under s. 627.733~~ for any period when the TNC
 2847 driver is logged onto the digital network or engaged in a
 2848 prearranged ride.

2849 (8) TRANSPORTATION NETWORK COMPANY AND INSURER; DISCLOSURE;
 2850 EXCLUSIONS.—

2851 (a) Before a TNC driver is allowed to accept a request for
 2852 a prearranged ride on the digital network, the TNC must disclose
 2853 in writing to the TNC driver:

2854 1. The insurance coverage, including the types of coverage
 2855 and the limits for each coverage, which the TNC provides while
 2856 the TNC driver uses a TNC vehicle in connection with the TNC's
 2857 digital network.

2858 2. That the TNC driver's own automobile insurance policy
 2859 might not provide any coverage while the TNC driver is logged on
 2860 to the digital network or is engaged in a prearranged ride,
 2861 depending on the terms of the TNC driver's own automobile
 2862 insurance policy.

2863 3. That the provision of rides for compensation which are
 2864 not prearranged rides subjects the driver to the coverage
 2865 requirements imposed under s. 324.032(1) and (2) and that
 2866 failure to meet such coverage requirements subjects the TNC
 2867 driver to penalties provided in s. 324.221, up to and including
 2868 a misdemeanor of the second degree.

2869 (b)1. An insurer that provides an automobile liability
 2870 insurance policy under this part may exclude any and all
 2871 coverage afforded under the policy issued to an owner or

20-00753A-21

202154__

2872 operator of a TNC vehicle while driving that vehicle for any
 2873 loss or injury that occurs while a TNC driver is logged on to a
 2874 digital network or while a TNC driver provides a prearranged
 2875 ride. Exclusions imposed under this subsection are limited to
 2876 coverage while a TNC driver is logged on to a digital network or
 2877 while a TNC driver provides a prearranged ride. This right to
 2878 exclude all coverage may apply to any coverage included in an
 2879 automobile insurance policy, including, but not limited to:

2880 a. Liability coverage for bodily injury and property
 2881 damage;

2882 b. Uninsured and underinsured motorist coverage;

2883 c. Medical payments coverage;

2884 d. Comprehensive physical damage coverage; and

2885 e. Collision physical damage coverage; ~~and~~

2886 ~~f. Personal injury protection.~~

2887 2. The exclusions described in subparagraph 1. apply
 2888 notwithstanding any requirement under chapter 324. These
 2889 exclusions do not affect or diminish coverage otherwise
 2890 available for permissive drivers or resident relatives under the
 2891 personal automobile insurance policy of the TNC driver or owner
 2892 of the TNC vehicle who are not occupying the TNC vehicle at the
 2893 time of loss. This section does not require that a personal
 2894 automobile insurance policy provide coverage while the TNC
 2895 driver is logged on to a digital network, while the TNC driver
 2896 is engaged in a prearranged ride, or while the TNC driver
 2897 otherwise uses a vehicle to transport riders for compensation.

2898 3. This section must not be construed to require an insurer
 2899 to use any particular policy language or reference to this
 2900 section in order to exclude any and all coverage for any loss or

20-00753A-21

202154__

2901 injury that occurs while a TNC driver is logged on to a digital
2902 network or while a TNC driver provides a prearranged ride.

2903 4. This section does not preclude an insurer from providing
2904 primary or excess coverage for the TNC driver's vehicle by
2905 contract or endorsement.

2906 (16) LUXURY GROUND TRANSPORTATION NETWORK COMPANIES.—

2907 (b) An entity may elect, upon written notification to the
2908 department, to be regulated as a luxury ground TNC. A luxury
2909 ground TNC must:

2910 1. Comply with all of the requirements of this section
2911 applicable to a TNC, including subsection (17), which do not
2912 conflict with subparagraph 2. or which do not prohibit the
2913 company from connecting riders to drivers who operate for-hire
2914 vehicles as defined in s. 320.01(15), including limousines and
2915 luxury sedans and excluding taxicabs.

2916 2. Maintain insurance coverage as required by subsection
2917 (7). However, if a prospective luxury ground TNC satisfies
2918 minimum financial responsibility through compliance with s.
2919 324.032(3) ~~s. 324.032(2)~~ by using self-insurance when it gives
2920 the department written notification of its election to be
2921 regulated as a luxury ground TNC, the luxury ground TNC may use
2922 self-insurance to meet the insurance requirements of subsection
2923 (7), so long as such self-insurance complies with s. 324.032(3)
2924 ~~s. 324.032(2)~~ and provides the limits of liability required by
2925 subsection (7).

2926 Section 53. Paragraph (a) of subsection (2) of section
2927 627.749, Florida Statutes, is amended to read:

2928 627.749 Autonomous vehicles; insurance requirements.—

2929 (2) INSURANCE REQUIREMENTS.—

Page 101 of 117

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20-00753A-21

202154__

2930 (a) A fully autonomous vehicle with the automated driving
2931 system engaged while logged on to an on-demand autonomous
2932 vehicle network or engaged in a prearranged ride must be covered
2933 by a policy of automobile insurance which provides:

2934 1. Primary liability coverage of at least \$1 million for
2935 death, bodily injury, and property damage.

2936 2. ~~Personal injury protection benefits that meet the~~
2937 ~~minimum coverage amounts required under ss. 627.730-627.7405.~~

2938 ~~3.~~ Uninsured and underinsured vehicle coverage as required
2939 by s. 627.727.

2940 Section 54. Section 627.8405, Florida Statutes, is amended
2941 to read:

2942 627.8405 Prohibited acts; financing companies.—~~A~~ No premium
2943 finance company ~~shall~~, in a premium finance agreement or other
2944 agreement, may not finance the cost of or otherwise provide for
2945 the collection or remittance of dues, assessments, fees, or
2946 other periodic payments of money for the cost of:

2947 (1) A membership in an automobile club. The term
2948 "automobile club" means a legal entity that ~~which~~, in
2949 consideration of dues, assessments, or periodic payments of
2950 money, promises its members or subscribers to assist them in
2951 matters relating to the ownership, operation, use, or
2952 maintenance of a motor vehicle; however, the term ~~this~~
2953 ~~definition of "automobile club"~~ does not include persons,
2954 associations, or corporations ~~which are~~ organized and operated
2955 solely for the purpose of conducting, sponsoring, or sanctioning
2956 motor vehicle races, exhibitions, or contests upon racetracks,
2957 or upon racecourses established and marked as such for the
2958 duration of such particular events. As used in this subsection,

Page 102 of 117

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20-00753A-21

202154__

2959 the term ~~words~~ "motor vehicle" ~~has used herein~~ have the same
2960 meaning as ~~defined~~ in chapter 320.

2961 (2) An accidental death and dismemberment policy sold in
2962 combination with a policy providing only bodily injury liability
2963 coverage ~~personal injury protection~~ and property damage
2964 liability coverage ~~only policy~~.

2965 (3) Any product not regulated under ~~the provisions of~~ this
2966 insurance code.

2967
2968 This section also applies to premium financing by any insurance
2969 agent or insurance company under part XVI. The commission shall
2970 adopt rules to assure disclosure, at the time of sale, of
2971 coverages financed with ~~personal injury protection~~ and shall
2972 prescribe the form of such disclosure.

2973 Section 55. Subsection (1) of section 627.915, Florida
2974 Statutes, is amended to read:

2975 627.915 Insurer experience reporting.—

2976 (1) Each insurer transacting private passenger automobile
2977 insurance in this state shall report certain information
2978 annually to the office. The information will be due on or before
2979 July 1 of each year. The information must ~~shall~~ be divided into
2980 the following categories: bodily injury liability; property
2981 damage liability; uninsured motorist; ~~personal injury protection~~
2982 ~~benefits~~; medical payments; and comprehensive and collision. The
2983 information given must ~~shall~~ be on direct insurance writings in
2984 the state alone and ~~shall~~ represent total limits data. The
2985 information set forth in paragraphs (a)-(f) is applicable to
2986 voluntary private passenger and Joint Underwriting Association
2987 private passenger writings and must ~~shall~~ be reported for each

Page 103 of 117

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20-00753A-21

202154__

2988 of the latest 3 calendar-accident years, with an evaluation date
2989 of March 31 of the current year. The information set forth in
2990 paragraphs (g)-(j) is applicable to voluntary private passenger
2991 writings and must ~~shall~~ be reported on a calendar-accident year
2992 basis ultimately seven times at seven different stages of
2993 development.

2994 (a) Premiums earned for the latest 3 calendar-accident
2995 years.

2996 (b) Loss development factors and the historic development
2997 of those factors.

2998 (c) Policyholder dividends incurred.

2999 (d) Expenses for other acquisition and general expense.

3000 (e) Expenses for agents' commissions and taxes, licenses,
3001 and fees.

3002 (f) Profit and contingency factors as utilized in the
3003 insurer's automobile rate filings for the applicable years.

3004 (g) Losses paid.

3005 (h) Losses unpaid.

3006 (i) Loss adjustment expenses paid.

3007 (j) Loss adjustment expenses unpaid.

3008 Section 56. Subsections (2) and (3) of section 628.909,
3009 Florida Statutes, are amended to read:

3010 628.909 Applicability of other laws.—

3011 (2) The following provisions of the Florida Insurance Code
3012 apply to captive insurance companies that ~~who~~ are not industrial
3013 insured captive insurance companies to the extent that such
3014 provisions are not inconsistent with this part:

3015 (a) Chapter 624, except for ss. 624.407, 624.408, 624.4085,
3016 624.40851, 624.4095, 624.411, 624.425, and 624.426.

Page 104 of 117

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20-00753A-21

202154__

3017 (b) Chapter 625, part II.
 3018 (c) Chapter 626, part IX.
 3019 (d) ~~Sections 627.730-627.7405, when no fault coverage is~~
 3020 ~~provided.~~
 3021 ~~(e)~~ Chapter 628.
 3022 (3) The following provisions of the Florida Insurance Code
 3023 ~~shall~~ apply to industrial insured captive insurance companies to
 3024 the extent that such provisions are not inconsistent with this
 3025 part:
 3026 (a) Chapter 624, except for ss. 624.407, 624.408, 624.4085,
 3027 624.40851, 624.4095, 624.411, 624.425, 624.426, and 624.609(1).
 3028 (b) Chapter 625, part II, if the industrial insured captive
 3029 insurance company is incorporated in this state.
 3030 (c) Chapter 626, part IX.
 3031 (d) ~~Sections 627.730-627.7405 when no fault coverage is~~
 3032 ~~provided.~~
 3033 ~~(e)~~ Chapter 628, except for ss. 628.341, 628.351, and
 3034 628.6018.
 3035 Section 57. Subsections (2), (6), and (7) of section
 3036 705.184, Florida Statutes, are amended to read:
 3037 705.184 Derelict or abandoned motor vehicles on the
 3038 premises of public-use airports.—
 3039 (2) The airport director or the director's designee shall
 3040 contact the Department of Highway Safety and Motor Vehicles to
 3041 notify that department that the airport has possession of the
 3042 abandoned or derelict motor vehicle and to determine the name
 3043 and address of the owner of the motor vehicle, the insurance
 3044 company insuring the motor vehicle, ~~notwithstanding the~~
 3045 ~~provisions of s. 627.736,~~ and any person who has filed a lien on

Page 105 of 117

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20-00753A-21

202154__

3046 the motor vehicle. Within 7 business days after receipt of the
 3047 information, the director or the director's designee shall send
 3048 notice by certified mail, return receipt requested, to the owner
 3049 of the motor vehicle, the insurance company insuring the motor
 3050 vehicle, ~~notwithstanding the provisions of s. 627.736,~~ and all
 3051 persons of record claiming a lien against the motor vehicle. The
 3052 notice must ~~shall~~ state the fact of possession of the motor
 3053 vehicle, that charges for reasonable towing, storage, and
 3054 parking fees, if any, have accrued and the amount thereof, that
 3055 a lien as provided in subsection (6) will be claimed, that the
 3056 lien is subject to enforcement pursuant to law, that the owner
 3057 or lienholder, if any, has the right to a hearing as set forth
 3058 in subsection (4), and that any motor vehicle which, at the end
 3059 of 30 calendar days after receipt of the notice, has not been
 3060 removed from the airport upon payment in full of all accrued
 3061 charges for reasonable towing, storage, and parking fees, if
 3062 any, may be disposed of as provided in s. 705.182(2) (a), (b),
 3063 (d), or (e), including, but not limited to, the motor vehicle
 3064 being sold free of all prior liens after 35 calendar days after
 3065 the time the motor vehicle is stored if any prior liens on the
 3066 motor vehicle are more than 5 years of age or after 50 calendar
 3067 days after the time the motor vehicle is stored if any prior
 3068 liens on the motor vehicle are 5 years of age or less.
 3069 (6) The airport pursuant to this section or, if used, a
 3070 licensed independent wrecker company pursuant to s. 713.78 shall
 3071 have a lien on an abandoned or derelict motor vehicle for all
 3072 reasonable towing, storage, and accrued parking fees, if any,
 3073 except that no storage fee may ~~shall~~ be charged if the motor
 3074 vehicle is stored less than 6 hours. As a prerequisite to

Page 106 of 117

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20-00753A-21 202154__

3075 perfecting a lien under this section, the airport director or
 3076 the director's designee must serve a notice in accordance with
 3077 subsection (2) on the owner of the motor vehicle, the insurance
 3078 company insuring the motor vehicle, ~~notwithstanding the~~
 3079 ~~provisions of s. 627.736,~~ and all persons of record claiming a
 3080 lien against the motor vehicle. If attempts to notify the owner,
 3081 the insurance company insuring the motor vehicle,
 3082 ~~notwithstanding the provisions of s. 627.736,~~ or lienholders are
 3083 not successful, the requirement of notice by mail shall be
 3084 considered met. Serving of the notice does not dispense with
 3085 recording the claim of lien.

3086 (7) (a) For the purpose of perfecting its lien under this
 3087 section, the airport shall record a claim of lien which states
 3088 shall state:

- 3089 1. The name and address of the airport.
- 3090 2. The name of the owner of the motor vehicle, the
 3091 insurance company insuring the motor vehicle, ~~notwithstanding~~
 3092 ~~the provisions of s. 627.736,~~ and all persons of record claiming
 3093 a lien against the motor vehicle.
- 3094 3. The costs incurred from reasonable towing, storage, and
 3095 parking fees, if any.
- 3096 4. A description of the motor vehicle sufficient for
 3097 identification.

3098 (b) The claim of lien ~~must shall~~ be signed and sworn to or
 3099 affirmed by the airport director or the director's designee.

3100 (c) The claim of lien ~~is shall be~~ sufficient if it is in
 3101 substantially the following form:

3102 CLAIM OF LIEN

20-00753A-21 202154__

3104 State of
 3105 County of
 3106 Before me, the undersigned notary public, personally appeared
 3107, who was duly sworn and says that he/she is the
 3108 of, whose address is.....; and that the
 3109 following described motor vehicle:
 3110 ...(Description of motor vehicle)...
 3111 owned by, whose address is, has accrued
 3112 \$..... in fees for a reasonable tow, for storage, and for
 3113 parking, if applicable; that the lienor served its notice to the
 3114 owner, the insurance company insuring the motor vehicle
 3115 ~~notwithstanding the provisions of s. 627.736, Florida Statutes,~~
 3116 and all persons of record claiming a lien against the motor
 3117 vehicle on, ...(year)..., by.....
 3118 ...(Signature)...
 3119 Sworn to (or affirmed) and subscribed before me this ... day of
 3120, ...(year)..., by ...(name of person making statement)...
 3121 ...(Signature of Notary Public).....(Print, Type, or Stamp
 3122 Commissioned name of Notary Public)...
 3123 Personally Known...OR Produced...as identification.
 3124
 3125 However, the negligent inclusion or omission of any information
 3126 in this claim of lien which does not prejudice the owner does
 3127 not constitute a default that operates to defeat an otherwise
 3128 valid lien.
 3129 (d) The claim of lien ~~must shall~~ be served on the owner of
 3130 the motor vehicle, the insurance company insuring the motor
 3131 vehicle, ~~notwithstanding the provisions of s. 627.736,~~ and all
 3132 persons of record claiming a lien against the motor vehicle. If

20-00753A-21

202154__

3133 attempts to notify the owner, the insurance company insuring the
 3134 motor vehicle ~~notwithstanding the provisions of s. 627.736~~, or
 3135 lienholders are not successful, the requirement of notice by
 3136 mail shall be considered met. The claim of lien must ~~shall~~ be so
 3137 served before recordation.

3138 (e) The claim of lien must ~~shall~~ be recorded with the clerk
 3139 of court in the county where the airport is located. The
 3140 recording of the claim of lien shall be constructive notice to
 3141 all persons of the contents and effect of such claim. The lien
 3142 attaches ~~shall attach~~ at the time of recordation and takes ~~shall~~
 3143 ~~take~~ priority as of that time.

3144 Section 58. Subsection (4) of section 713.78, Florida
 3145 Statutes, is amended to read:

3146 713.78 Liens for recovering, towing, or storing vehicles
 3147 and vessels.—

3148 (4) (a) A person regularly engaged in the business of
 3149 recovering, towing, or storing vehicles or vessels who comes
 3150 into possession of a vehicle or vessel pursuant to subsection
 3151 (2), and who claims a lien for recovery, towing, or storage
 3152 services, shall give notice, by certified mail, to the
 3153 registered owner, the insurance company insuring the vehicle
 3154 ~~notwithstanding s. 627.736~~, and all persons claiming a lien
 3155 thereon, as disclosed by the records in the Department of
 3156 Highway Safety and Motor Vehicles or as disclosed by the records
 3157 of any corresponding agency in any other state in which the
 3158 vehicle is identified through a records check of the National
 3159 Motor Vehicle Title Information System or an equivalent
 3160 commercially available system as being titled or registered.

3161 (b) Whenever a law enforcement agency authorizes the

Page 109 of 117

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20-00753A-21

202154__

3162 removal of a vehicle or vessel or whenever a towing service,
 3163 garage, repair shop, or automotive service, storage, or parking
 3164 place notifies the law enforcement agency of possession of a
 3165 vehicle or vessel pursuant to s. 715.07(2)(a)2., the law
 3166 enforcement agency of the jurisdiction where the vehicle or
 3167 vessel is stored shall contact the Department of Highway Safety
 3168 and Motor Vehicles, or the appropriate agency of the state of
 3169 registration, if known, within 24 hours through the medium of
 3170 electronic communications, giving the full description of the
 3171 vehicle or vessel. Upon receipt of the full description of the
 3172 vehicle or vessel, the department shall search its files to
 3173 determine the owner's name, the insurance company insuring the
 3174 vehicle or vessel, and whether any person has filed a lien upon
 3175 the vehicle or vessel as provided in s. 319.27(2) and (3) and
 3176 notify the applicable law enforcement agency within 72 hours.
 3177 The person in charge of the towing service, garage, repair shop,
 3178 or automotive service, storage, or parking place shall obtain
 3179 such information from the applicable law enforcement agency
 3180 within 5 days after the date of storage and shall give notice
 3181 pursuant to paragraph (a). The department may release the
 3182 insurance company information to the requestor ~~notwithstanding~~
 3183 ~~s. 627.736~~.

3184 (c) The notice of lien must be sent by certified mail to
 3185 the registered owner, the insurance company insuring the vehicle
 3186 ~~notwithstanding s. 627.736~~, and all other persons claiming a
 3187 lien thereon within 7 business days, excluding Saturday and
 3188 Sunday, after the date of storage of the vehicle or vessel.
 3189 However, in no event shall the notice of lien be sent less than
 3190 30 days before the sale of the vehicle or vessel. The notice

Page 110 of 117

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20-00753A-21

202154__

3191 must state:

3192 1. If the claim of lien is for a vehicle, the last 8 digits
3193 of the vehicle identification number of the vehicle subject to
3194 the lien, or, if the claim of lien is for a vessel, the hull
3195 identification number of the vessel subject to the lien, clearly
3196 printed in the delivery address box and on the outside of the
3197 envelope sent to the registered owner and all other persons
3198 claiming an interest therein or lien thereon.

3199 2. The name, physical address, and telephone number of the
3200 lienor, and the entity name, as registered with the Division of
3201 Corporations, of the business where the towing and storage
3202 occurred, which must also appear on the outside of the envelope
3203 sent to the registered owner and all other persons claiming an
3204 interest in or lien on the vehicle or vessel.

3205 3. The fact of possession of the vehicle or vessel.

3206 4. The name of the person or entity that authorized the
3207 lienor to take possession of the vehicle or vessel.

3208 5. That a lien as provided in subsection (2) is claimed.

3209 6. That charges have accrued and include an itemized
3210 statement of the amount thereof.

3211 7. That the lien is subject to enforcement under law and
3212 that the owner or lienholder, if any, has the right to a hearing
3213 as set forth in subsection (5).

3214 8. That any vehicle or vessel that remains unclaimed, or
3215 for which the charges for recovery, towing, or storage services
3216 remain unpaid, may be sold free of all prior liens 35 days after
3217 the vehicle or vessel is stored by the lienor if the vehicle or
3218 vessel is more than 3 years of age or 50 days after the vehicle
3219 or vessel is stored by the lienor if the vehicle or vessel is 3

Page 111 of 117

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20-00753A-21

202154__

3220 years of age or less.

3221 9. The address at which the vehicle or vessel is physically
3222 located.

3223 (d) The notice of lien may not be sent to the registered
3224 owner, the insurance company insuring the vehicle or vessel, and
3225 all other persons claiming a lien thereon less than 30 days
3226 before the sale of the vehicle or vessel.

3227 (e) If attempts to locate the name and address of the owner
3228 or lienholder prove unsuccessful, the towing-storage operator
3229 shall, after 7 business days, excluding Saturday and Sunday,
3230 after the initial tow or storage, notify the public agency of
3231 jurisdiction where the vehicle or vessel is stored in writing by
3232 certified mail or acknowledged hand delivery that the towing-
3233 storage company has been unable to locate the name and address
3234 of the owner or lienholder and a physical search of the vehicle
3235 or vessel has disclosed no ownership information and a good
3236 faith effort has been made, including records checks of the
3237 Department of Highway Safety and Motor Vehicles database and the
3238 National Motor Vehicle Title Information System or an equivalent
3239 commercially available system. For purposes of this paragraph
3240 and subsection (9), the term "good faith effort" means that the
3241 following checks have been performed by the company to establish
3242 the prior state of registration and for title:

3243 1. A check of the department's database for the owner and
3244 any lienholder.

3245 2. A check of the electronic National Motor Vehicle Title
3246 Information System or an equivalent commercially available
3247 system to determine the state of registration when there is not
3248 a current registration record for the vehicle or vessel on file

Page 112 of 117

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20-00753A-21

202154__

3249 with the department.

3250 3. A check of the vehicle or vessel for any type of tag,
3251 tag record, temporary tag, or regular tag.

3252 4. A check of the law enforcement report for a tag number
3253 or other information identifying the vehicle or vessel, if the
3254 vehicle or vessel was towed at the request of a law enforcement
3255 officer.

3256 5. A check of the trip sheet or tow ticket of the tow truck
3257 operator to determine whether a tag was on the vehicle or vessel
3258 at the beginning of the tow, if a private tow.

3259 6. If there is no address of the owner on the impound
3260 report, a check of the law enforcement report to determine
3261 whether an out-of-state address is indicated from driver license
3262 information.

3263 7. A check of the vehicle or vessel for an inspection
3264 sticker or other stickers and decals that may indicate a state
3265 of possible registration.

3266 8. A check of the interior of the vehicle or vessel for any
3267 papers that may be in the glove box, trunk, or other areas for a
3268 state of registration.

3269 9. A check of the vehicle for a vehicle identification
3270 number.

3271 10. A check of the vessel for a vessel registration number.

3272 11. A check of the vessel hull for a hull identification
3273 number which should be carved, burned, stamped, embossed, or
3274 otherwise permanently affixed to the outboard side of the
3275 transom or, if there is no transom, to the outmost seaboard side
3276 at the end of the hull that bears the rudder or other steering
3277 mechanism.

Page 113 of 117

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20-00753A-21

202154__

3278 Section 59. Paragraph (a) of subsection (1), paragraph (c)
3279 of subsection (7), paragraphs (a), (b), and (c) of subsection
3280 (8), and subsections (9) and (10) of section 817.234, Florida
3281 Statutes, are amended to read:

3282 817.234 False and fraudulent insurance claims.—

3283 (1) (a) A person commits insurance fraud punishable as
3284 provided in subsection (11) if that person, with the intent to
3285 injure, defraud, or deceive any insurer:

3286 1. Presents or causes to be presented any written or oral
3287 statement as part of, or in support of, a claim for payment or
3288 other benefit pursuant to an insurance policy or a health
3289 maintenance organization subscriber or provider contract,
3290 knowing that such statement contains ~~any~~ false, incomplete, or
3291 misleading information concerning any fact or thing material to
3292 such claim;

3293 2. Prepares or makes any written or oral statement that is
3294 intended to be presented to an ~~any~~ insurer in connection with,
3295 or in support of, any claim for payment or other benefit
3296 pursuant to an insurance policy or a health maintenance
3297 organization subscriber or provider contract, knowing that such
3298 statement contains ~~any~~ false, incomplete, or misleading
3299 information concerning any fact or thing material to such claim;

3300 3.a. Knowingly presents, causes to be presented, or
3301 prepares or makes with knowledge or belief that it will be
3302 presented to an ~~any~~ insurer, purported insurer, servicing
3303 corporation, insurance broker, or insurance agent, or any
3304 employee or agent thereof, ~~any~~ false, incomplete, or misleading
3305 information or a written or oral statement as part of, or in
3306 support of, an application for the issuance of, or the rating

Page 114 of 117

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20-00753A-21

202154__

3307 of, any insurance policy, or a health maintenance organization
3308 subscriber or provider contract; or

3309 b. Knowingly conceals information concerning any fact
3310 material to such application; or

3311 4. Knowingly presents, causes to be presented, or prepares
3312 or makes with knowledge or belief that it will be presented to
3313 any insurer a claim for payment or other benefit under medical
3314 payments coverage in a motor vehicle a personal injury
3315 protection insurance policy if the person knows that the payee
3316 knowingly submitted a false, misleading, or fraudulent
3317 application or other document when applying for licensure as a
3318 health care clinic, seeking an exemption from licensure as a
3319 health care clinic, or demonstrating compliance with part X of
3320 chapter 400.

3321 (7)

3322 ~~(c) An insurer, or any person acting at the direction of or~~
3323 ~~on behalf of an insurer, may not change an opinion in a mental~~
3324 ~~or physical report prepared under s. 627.736(7) or direct the~~
3325 ~~physician preparing the report to change such opinion; however,~~
3326 ~~this provision does not preclude the insurer from calling to the~~
3327 ~~attention of the physician errors of fact in the report based~~
3328 ~~upon information in the claim file. Any person who violates this~~
3329 ~~paragraph commits a felony of the third degree, punishable as~~
3330 ~~provided in s. 775.082, s. 775.083, or s. 775.084.~~

3331 (8) (a) It is unlawful for any person intending to defraud
3332 any other person to solicit or cause to be solicited any
3333 business from a person involved in a motor vehicle accident for
3334 the purpose of making, adjusting, or settling motor vehicle tort
3335 claims or claims for benefits under medical payments coverage in

Page 115 of 117

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20-00753A-21

202154__

3336 a motor vehicle insurance policy personal injury protection
3337 benefits required by s. 627.736. Any person who violates ~~the~~
3338 ~~provisions of~~ this paragraph commits a felony of the second
3339 degree, punishable as provided in s. 775.082, s. 775.083, or s.
3340 775.084. A person who is convicted of a violation of this
3341 subsection shall be sentenced to a minimum term of imprisonment
3342 of 2 years.

3343 (b) A person may not solicit or cause to be solicited any
3344 business from a person involved in a motor vehicle accident by
3345 any means of communication other than advertising directed to
3346 the public for the purpose of making motor vehicle tort claims
3347 or claims for benefits under medical payments coverage in a
3348 motor vehicle insurance policy personal injury protection
3349 benefits required by s. 627.736, within 60 days after the
3350 occurrence of the motor vehicle accident. Any person who
3351 violates this paragraph commits a felony of the third degree,
3352 punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

3353 (c) A lawyer, health care practitioner as defined in s.
3354 456.001, or owner or medical director of a clinic required to be
3355 licensed pursuant to s. 400.9905 may not, at any time after 60
3356 days have elapsed from the occurrence of a motor vehicle
3357 accident, solicit or cause to be solicited any business from a
3358 person involved in a motor vehicle accident by means of in
3359 person or telephone contact at the person's residence, for the
3360 purpose of making motor vehicle tort claims or claims for
3361 benefits under medical payments coverage in a motor vehicle
3362 insurance policy personal injury protection benefits required by
3363 s. 627.736. Any person who violates this paragraph commits a
3364 felony of the third degree, punishable as provided in s.

Page 116 of 117

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20-00753A-21

202154__

3365 775.082, s. 775.083, or s. 775.084.

3366 (9) A person may not organize, plan, or knowingly
3367 participate in an intentional motor vehicle crash or a scheme to
3368 create documentation of a motor vehicle crash that did not occur
3369 for the purpose of making motor vehicle tort claims or claims
3370 for benefits under medical payments coverage in a motor vehicle
3371 insurance policy ~~personal injury protection benefits as required~~
3372 ~~by s. 627.736~~. Any person who violates this subsection commits a
3373 felony of the second degree, punishable as provided in s.
3374 775.082, s. 775.083, or s. 775.084. A person who is convicted of
3375 a violation of this subsection shall be sentenced to a minimum
3376 term of imprisonment of 2 years.

3377 (10) A licensed health care practitioner who is found
3378 guilty of insurance fraud under this section for an act relating
3379 to a motor vehicle ~~personal injury protection~~ insurance policy
3380 loses his or her license to practice for 5 years and may not
3381 receive reimbursement under medical payments coverage in a motor
3382 vehicle insurance policy ~~for personal injury protection benefits~~
3383 for 10 years.

3384 Section 60. For the 2021-2022 fiscal year, the sum of
3385 \$83,651 in nonrecurring funds is appropriated from the Insurance
3386 Regulatory Trust Fund to the Office of Insurance Regulation for
3387 the purpose of implementing this act.

3388 Section 61. Except as otherwise expressly provided in this
3389 act and except for this section, which shall take effect upon
3390 this act becoming a law, this act shall take effect January 1,
3391 2022.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

01.26.21

54

Meeting Date

Bill Number (if applicable)

Topic Motor Vehicle Insurance

Amendment Barcode (if applicable)

Name Kathy Maus

Job Title _____

Address 3600 Maclay Boulevard

Phone (850) 894-4111

Street

Tallahassee

FL

32312

Email kmaus@butler.legal

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Justice Reform Institute

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/26/21

Meeting Date

54

Bill Number (if applicable)

Topic Motor Vehicle Insurance

Amendment Barcode (if applicable)

Name George Feijoo ("Fay-Jew")

Job Title Consultant - Floridian Partners

Address 108 S. Monroe Street
Street

Phone (305) 720 7099

Tallahassee FL 32301
City State Zip

Email grfeijoo@flapartners.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Insurance Council

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/20/20

Meeting Date

54

Bill Number (if applicable)

Topic Motor Vehicle Ins.

Amendment Barcode (if applicable)

Name MICHAEL CARLSON

Job Title President

Address 215 S. Monroe St. Ste. 835

Phone 850 344 9576

Tallahassee FL 32301

City

State

Zip

Email Michael.carlson@pif.net

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing PERSONAL INSURANCE FEDERATION of FLORIDA

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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THE FLORIDA SENATE
APPEARANCE RECORD

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1/26/2021

54

Meeting Date

Bill Number (if applicable)

Topic Motor Vehicle Insurance

Amendment Barcode (if applicable)

Name Doug Bell

Job Title Lobbyist

Address 119 S. Monroe Street, Suite 200

Phone 8502059000

Street

Tallahassee

FL

32301

Email doug.bell@mhdfirm.com

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Progressive Corporation

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

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1/26/21
Meeting Date

54
Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name Chris Nuland

Job Title _____

Address 4427 Herschel St
Street
Jacksonville, FL 32210
City State Zip

Phone 904-233-3051

Email nlandlaw@aol.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Chapter, American College of Surgeons

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE
APPEARANCE RECORD

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1/26/21

Meeting Date

54

Bill Number (if applicable)

Topic Motor Vehicle Insurance

Amendment Barcode (if applicable)

Name Bonny Gordon

Job Title _____

Address _____

Phone _____

Street

Email _____

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing GEICO

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

1/26/2021

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

SB 54

Meeting Date

Bill Number (if applicable)

Topic SB 54

Amendment Barcode (if applicable)

Name Jonathan Dolan

Job Title Executive Director

Address 3717 S. Conway Rd.

Phone 314-540-4400

Street

Orlando

City

FL

State

32812

Zip

Email jdolan@emtra.org

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida College of Emergency Physicians

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/26/2021

Meeting Date

SB 54

Bill Number (if applicable)

Topic Motor Vehicle Insurance

Amendment Barcode (if applicable)

Name Greg Yaffa

Job Title Attorney

Address 2401 PGA Blvd., Suite 140

Phone 561-625-6260

Street

Palm Beach Gardens

FL

33410

Email gyaffa@dcwlaw.com

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida consumers

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/26/2021

Meeting Date

SB 54

Bill Number (if applicable)

Topic Motor Vehicle Insurance

Amendment Barcode (if applicable)

Name Eric Romano

Job Title Attorney

Address 801 Spencer Drive

Phone 561-533-670

Street

West Palm Beach FL 33409

Email eric@romanolawgroup.com

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Justice Association

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

01.26.21

54

Meeting Date

Bill Number (if applicable)

143978

Topic Motor Vehicle Insurance

Amendment Barcode (if applicable)

Name Kathy Maus

Job Title _____

Address 3600 Maclay Boulevard

Phone (850) 894-4111

Street

Tallahassee

FL

32312

Email kmaus@butler.legal

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Justice Reform Institute

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/26/2021

Meeting Date

SB 54

Bill Number (if applicable)

143978

Amendment Barcode (if applicable)

Topic Motor Vehicle Insurance

Name Greg Yaffa

Job Title Attorney

Address 2401 PGA Blvd., Suite 140

Street

Palm Beach Gardens

City

FL

State

33410

Zip

Phone 561-625-6260

Email gyaffa@dcwlaw.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida consumers

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

01.26.21

54

Meeting Date

Bill Number (if applicable)

799160

Topic Motor Vehicle Insurance

Amendment Barcode (if applicable)

Name Kathy Maus

Job Title _____

Address 3600 Maclay Boulevard

Phone (850) 894-4111

Street

Tallahassee

FL

32312

Email kmaus@butler.legal

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Justice Reform Institute

Appearing at request of Chair: Yes No

Lobbyist registered with Legislature: Yes No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

CourtSmart Tag Report

Room: KN 412

Case No.:

Type:

Caption: Banking and Insurance Committee

Judge:

Started: 1/26/2021 3:31:55 PM

Ends: 1/26/2021 5:01:19 PM

Length: 01:29:25

3:31:55 PM Meeting called to order
3:32:55 PM Roll call
3:33:00 PM Chair Boyd expresses gratitude to Sheri (CAA last meeting with committee)
3:33:19 PM James Knudson expresses gratitude to CAA
3:34:19 PM Chair Boyd addresses process for participation from civic center
3:35:07 PM Take up Bill SB 54
3:35:13 PM Senator Burgess explains the bill
3:37:50 PM SB 54 Motor Vehicle Insurance by Senator Burgess
3:40:23 PM Chair Boyd - there are two amendments
3:41:31 PM Chair Boyd takes up the amendments
3:41:37 PM First amendment barcode 799160 by Senator Passidomo
3:42:14 PM Senator Passidomo explains the amendment
3:46:11 PM Amendment only applies to auto claims
3:46:32 PM Creates over 10 best practices
3:48:43 PM Provides safe harbor
3:49:05 PM Process in court
3:49:18 PM Chair Boyd opens for questions from members
3:49:37 PM Senator Thurston recognized with question for sponsor Senator Passidomo
3:49:52 PM Senator Thurston questions on participation of insured
3:50:26 PM Senator Passidomo responds
3:50:36 PM Senator Thurston with follow up on 2 hour limitation and how time limit came about
3:51:34 PM Senator Passidomo responds
3:51:59 PM Senator Thurston follow up question on liability
3:52:18 PM Senator Passidomo responds
3:52:31 PM Sen Thurston follow up question on communication of consequences
3:52:52 PM Senator Passidomo responds
3:53:02 PM Senator Thurston with question on requirements
3:53:40 PM Senator Passidomo answers
3:53:53 PM Senator Thurston with question on safe harbor
3:54:31 PM Senator Passidomo responds
3:55:16 PM Senator Taddeo with question for sponsor
3:56:17 PM Senator Passidomo answers
3:56:29 PM Senator Taddeo with follow up on fast pace cases
3:56:47 PM Senator Taddeo continues
3:56:58 PM Senator Passidomo responds
3:57:07 PM Senator Taddeo explains question
3:57:19 PM Senator Passidomo needs clarification on question
3:57:43 PM Chair Boyd explains about bad faith
3:58:46 PM Senator Taddeo asks about settlements
3:59:16 PM Senator Passidomo discusses conversation with insured
3:59:48 PM Senator Brandes with question on bad faith to Senator Passidomo
4:00:14 PM Senator Passidomo responds about multiple claimants
4:00:56 PM Senator Brandes with follow up on time limitations
4:01:16 PM Senator Passidomo explains best practices regarding time limits
4:02:06 PM Senator Brandes points out issue
4:02:26 PM Senator Passidomo responds on third party claimant
4:03:09 PM Chair Boyd recognizes Senator Burgess with comment
4:03:43 PM Public appearance for amendment
4:03:47 PM Kathy Maus speaking in support
4:04:06 PM Represents Florida Justice Reform Institute
4:07:07 PM No questions for the speaker
4:08:08 PM No further speakers for amendment

4:08:18 PM Debate on amendment 799160
4:08:24 PM Senator Burgess comments on amendment
4:09:22 PM Senator Passidomo closes on amendment
4:09:38 PM Vocal vote and Amendment is adopted
4:09:44 PM Barcode 143978 is taken up
4:10:05 PM Senator Thurston explains amendment
4:11:21 PM Amendment addresses concerns with time limits and bad faith liability
4:13:18 PM Senator Thurston dicusses other concerns in the bill that are addressed in the amendment
4:14:18 PM Senator Thurston withdraws the amendment
4:14:29 PM Record show amendment 143978 withdrawn
4:14:38 PM Public appearance
4:14:47 PM let record Greg Yaffa Attorney from Palm Beach Gardens FL was in support of amendment
4:14:51 PM Let record show Kathy Maus Florida Justice Reform Institute was opposed to the amendment
4:15:01 PM Back on the bill - questions from Senator Brandes on the bill
4:15:26 PM Senator Burgess responds to Senator Brandes concern
4:15:49 PM Follow up question by Senator Brandes on auto glass
4:16:01 PM Senator Buruggess states nothing in this bill on that
4:16:12 PM Senator Brandes with follow up question to Senator Burgess
4:16:20 PM Senator Burgess references 2016 ORS rates
4:16:50 PM Senator Brandes with question on carriers and rates
4:17:17 PM Senator Burgess answers
4:18:28 PM Public appearances
4:18:35 PM ChairBoyd limits speakers to 2 minutes
4:18:45 PM Eric Ramono Attorney Florida Justice Association West Palm Beach with information
4:21:31 PM Chair Boyd requests wrap up
4:21:37 PM Mr. Romano concludes
4:22:01 PM Greg Yaffa Attorney with Florida Consumers Palm Beach Gardens is opposed
4:25:23 PM Jonathan Dolan Executive Director Florida College of Emergency Physicians Orlando is opposed
4:28:29 PM Chair Boyd with comments to the speaker
4:28:41 PM Bonny Gordon representing Geico is opposed
4:29:17 PM Chris Nuland Florida Chapter America College of Surgeons Jacksonville is opposed
4:30:31 PM Mr. Nulan suggests alternatives
4:30:59 PM Doug Bell Tallahassee for Progressive Corporation opposes the bill
4:31:33 PM Mr. Bell of Progressive expresses concerns with rate
4:34:26 PM Michael Carlson Tallahassee President of Personal Insurance Federation of Florida with information
4:37:23 PM George Feijoo Tallahassee for Consultant Floridian Partners of Florida Insurance Council with information
4:39:02 PM Kathy Maus Tallahassee of Florida Justice Reform Institute Tallahassee in support
4:42:14 PM Chair Boyd calls for anyone else wanting to testify
4:42:30 PM None
4:42:32 PM Chair opens debate on the bill
4:42:36 PM Senator Rouson in debate
4:44:09 PM Senator Rouson claims expectations of some changes for benefits of the consumer
4:44:43 PM Senator Rouson cautions on several issues
4:45:38 PM Chair Boyd recognizes Senator Stewart
4:46:07 PM Senator Stewart addresses some concerns
4:46:55 PM Senator Rodrigues in debate
4:47:16 PM Senator Rodrigues points to some reservations
4:48:50 PM Senator Brandes comments regarding rates
4:51:08 PM Senator Thurston in debate
4:51:41 PM Senator Thurston expresses his concerns
4:52:40 PM Senator Taddeo in debate - discusses the bad faith language
4:53:47 PM Chair Boyd in debate with comments
4:54:13 PM Senator Burgess closes on the bill
4:59:13 PM Roll call for SB 54 Motor Vehicle Insurance
5:00:18 PM CS for SB 54 Motor Vehicle Insurance is reported favorable
5:00:51 PM Chair Boyd calls for any other committee business
5:00:57 PM Senator Rouson moves to adjourn
5:01:00 PM Meeting is adjourned