

## Committee on Banking and Insurance

### **CS/CS/CS/HB 749 — Fraud Prevention**

by Commerce Committee; State Administration and Technology Appropriations Subcommittee; Insurance and Banking Subcommittee; and Rep. Clemons and others (CS/CS/SB 1292 by Appropriations Committee; Banking and Insurance Committee; and Senators Gruters and Bradley)

#### *Electronic Insurance Verification*

The bill requires that, in addition to driver licenses and identification cards, the Department of Highway Safety and Motor Vehicle's (DHSMV) electronic credentialing system display vehicle registration and insurance information, provide a driver with notification of any lapse in insurance coverage, and allow the driver to update policy information in the system. The bill requires DHSMV to provide the legislature with recommendations by October 1, 2023, regarding electronic verification of drivers' compliance with ch. 324, F.S., the Financial Responsibility Law of 1955.

The bill also appropriates \$1,413,270 to implement the electronic credentialing system administered by DHSMV.

#### *Service Contracts and Agreements*

The bill provides that a seller of a service contract that includes an automatic renewal provision must allow a consumer to cancel the contract in the same manner, and by the same means, as the consumer accepted the contract.

The bill expands the advertising violations for which a service agreement company or salesperson can be subject to licensure discipline or criminal penalties; requires that a service agreement company's or salesperson's disclosures in written advertisements meet certain requirements; requires such company or salesperson disclose the company's or salesperson's full name in radio or television advertisements; and requires that a service agreement salesperson provide his or her full legal name and license number when beginning a solicitation call and his or her telephone number when ending a call.

#### *Public Adjusters and Public Adjuster Apprentices*

The bill creates a new maximum fine amount, not to exceed \$20,000 per act, for a public adjuster or public adjuster apprentice who commits certain prohibited acts during a state of emergency declared by the Governor. Unlicensed persons who engage in these prohibited acts are subject to the same penalties as licensed persons.

#### *Investigations by the Division of Investigative and Forensic Services (DIFS) or the State Fire Marshal (SFM)*

The bill authorizes the Department of Financial Services (DFS) to fine insurers up to \$2,000 per day if the insurer fails or refuses to comply with the investigation of a fire or explosion by DIFS or the SFM.

***Prosecution of False and Fraudulent Insurance Claims***

The bill authorizes an insurer damaged as a result of insurance fraud to recover reasonable investigation and litigation expenses, including attorney fees, at the trial and appellate court, if the insurer had reported the possible fraudulent insurance act to DIFS and the possible fraudulent insurance act was criminally adjudicated as guilty. The bill clarifies that prosecutions of workers' compensation fraud or false and fraudulent insurance claims must be commenced within five years of a violation.

If approved by the Governor, these provisions take effect upon becoming law.

*Vote: Senate 39-0; House 115-0*