

Committee on Banking and Insurance

CS/CS/HB 939— Consumer Protection

by Commerce Committee; Insurance & Banking Subcommittee; Rep. Griffiths and others (CS/CS/CS/SB 1066 by Rules Committee; Judiciary Committee; Banking and Insurance Committee; and Senator Burton)

The bill amends various statutes in the area of consumer protection.

The bill requires third party settlement organizations that conduct transactions involving a payee in Florida to create a mechanism for the sender of the payment to identify whether a transaction is for goods and services or personal transactions. The sender of the payment is responsible for indicating the appropriate transaction type. All third party settlement organizations must maintain records that clearly identify whether a transaction, as designated by the sender of the payment, is a transaction for goods and services or is personal. Section 6050W of the Internal Revenue Code defines “third party settlement organization” as the “central organization which has the contractual obligation to make payment to participating payees of third party network transactions.”

The bill creates a right for a residential property owner to cancel a contract to replace or repair a roof without penalty or obligation within 10 days following the execution of the contract or the official start date, whichever comes first, if the contract was entered into based on events that are the subject of a declaration of a state of emergency by the Governor. The residential property owner must send the notice of cancellation to the contractor by certified mail, return receipt requested, or by another form of mailing that provides proof thereof, to the address specified in the contract. A contractor that executes a contract during a state of emergency to replace or repair a roof must include in the contract specified language providing notice of the right of cancellation in bold type of not less than 18 points immediately before the space reserved for the signature of the residential property owner.

For purposes of the Florida Commercial Financing Disclosure Law, the bill expands the definition of “depository institution” to include institutions chartered by another state, territory, or the federal government authorized to do business in Florida and whose deposits or share accounts are insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund. The Florida Commercial Financing Disclosure Law requires “providers” to make certain disclosures of the terms of a commercial financing transaction. The definition of “provider” includes a person who enters into a written agreement with a “depository institution” to arrange a commercial financing transaction. Expanding the definition of “depository institution” expands the applicability of the disclosure requirements.

For purposes of an insurer reporting property insurance data to the Office of Insurance Regulation, the bill provides that any certified public accountant who prepares the mandatory annual audit for an insurer must be licensed in Florida and have completed at least 4 hours of insurance-related continuing education within each 2-year continuing education cycle. This requirement becomes effective once the courses have been created.

The bill provides that each public adjuster contract relating to a property and casualty claim must contain the license number of the public adjusting firm.

Regarding notices of change in insurance policy terms sent to a policy holder by an insurer, the bill requires, beginning January 1, 2025, the “Notice of Change in Policy Terms” to be in bold type of not less than 14 points and included as a single page or consecutive pages, as necessary, within the written notice.

Regarding short-term health insurance, the bill provides that the required disclosures in contracts for short-term health insurance must be in writing and signed by the purchaser at the time of purchase. The bill requires additional disclosures regarding duration of the contract, including any waiting period; any essential health benefit that the contract does not provide; the content of coverage; and any exclusion of preexisting conditions. The disclosures must be printed in at least 12-point type and in a color that is readable. A copy of the signed disclosures must be maintained by the issuer for a period of five years after the date of purchase. Disclosures provided by electronic means must include the content required by this provision.

Regarding notices of property insurance claims, the bill provides that a notice of claim from a condominium unit owner resulting from a loss assessment for loss assessment coverage may not occur later than three years after the date of loss and must be made by the later of one year after the date of loss or 90 days after the date on which the condominium association votes to levy the assessment. For purposes of this provision, the date of loss is the date of the covered loss event that created the need for an assessment.

The bill adopts the 2018 edition of the National Fire Protection Association Code for Fireworks Display.

If approved by the Governor, or allowed to become law without the Governor’s signature, these provisions take effect July 1, 2024.

Vote: Senate 39-0; House 111-0