

By Representative Edwards

1                                   A bill to be entitled  
2           An act relating to motor vehicle insurance;  
3           amending s. 318.1451, F.S.; providing for  
4           imposing an assessment fee for an additional  
5           driver improvement course; creating s. 627.065,  
6           F.S.; providing for reducing certain motor  
7           vehicle insurance premiums for successful  
8           completion of a specified driver improvement  
9           course; providing criteria and limitations;  
10          providing for a certificate of completion;  
11          providing application; amending s. 627.727,  
12          F.S.; specifying application of a presumption;  
13          amending s. 627.728, F.S.; specifying criteria  
14          for electronic notice; amending s. 627.7288,  
15          F.S.; clarifying a deductible provision;  
16          creating s. 627.72951, F.S.; authorizing  
17          temporary binding of motor vehicle insurance  
18          coverage under certain circumstances; providing  
19          an effective date.

20  
21 Be It Enacted by the Legislature of the State of Florida:

22  
23           Section 1. Subsection (4) of section 318.1451, Florida  
24 Statutes, is amended to read:

25           318.1451 Driver improvement schools.--

26           (4) In addition to a regular course fee, an assessment  
27 fee in the amount of \$2.50 shall be collected by the school  
28 from each person who elects to attend a course, as it relates  
29 to ss. 318.14(9), 322.0261, ~~and~~ 322.291, and 627.065, which  
30 shall be remitted to the Department of Highway Safety and  
31 Motor Vehicles and deposited in the Highway Safety Operating

1 Trust Fund to administer this program and to fund the general  
2 operations of the department.

3 Section 2. Section 627.065, Florida Statutes, is  
4 created to read:

5 627.065 Insurance discounts for persons completing  
6 driver improvement course.--

7 (1) Any rates, rating schedules, or rating manuals for  
8 the liability, personal injury protection, and collision  
9 coverages of a motor vehicle insurance policy filed with the  
10 department may provide for an appropriate reduction in premium  
11 charges as to such coverages when the principal operator on  
12 the covered vehicle has successfully completed a driver  
13 improvement course approved and certified by the Department of  
14 Highway Safety and Motor Vehicles which is effective in  
15 reducing crash or violation rates pursuant to the provisions  
16 of s. 318.1451(5). Any discount, not to exceed 10 percent,  
17 used by an insurer is presumed to be appropriate unless  
18 credible data demonstrates otherwise.

19 (2) The premium reduction authorized by this section  
20 shall be effective for an insured for a 3-year period after  
21 successful completion of the approved course, except that the  
22 insurer may require, as a condition of maintaining the  
23 discount, that the insured:

24 (a) Not be involved in an accident for which the  
25 insured is at fault.

26 (b) Not be convicted of or plead guilty or nolo  
27 contendere to a moving traffic violation.

28 (3) The organization offering the course shall, upon a  
29 person's successful completion of the course, issue the person  
30 a certificate the person may use to qualify for the premium  
31 discount authorized by this section.

1           (4) This section does not apply if the driver  
2 improvement course is taken in lieu of a court appearance for  
3 a traffic infraction as provided for in s. 318.14(9).  
4 However, the five election restrictions enumerated in said  
5 section shall not apply for purposes of receiving insurance  
6 discounts.

7           Section 3. Subsection (1) of section 627.727, Florida  
8 Statutes, is amended to read:

9           627.727 Motor vehicle insurance; uninsured and  
10 underinsured vehicle coverage; insolvent insurer protection.--

11           (1) No motor vehicle liability insurance policy which  
12 provides bodily injury liability coverage shall be delivered  
13 or issued for delivery in this state with respect to any  
14 specifically insured or identified motor vehicle registered or  
15 principally garaged in this state unless uninsured motor  
16 vehicle coverage is provided therein or supplemental thereto  
17 for the protection of persons insured thereunder who are  
18 legally entitled to recover damages from owners or operators  
19 of uninsured motor vehicles because of bodily injury,  
20 sickness, or disease, including death, resulting therefrom.  
21 However, the coverage required under this section is not  
22 applicable when, or to the extent that, an insured named in  
23 the policy makes a written rejection of the coverage on behalf  
24 of all insureds under the policy. When a motor vehicle is  
25 leased for a period of 1 year or longer and the lessor of such  
26 vehicle, by the terms of the lease contract, provides  
27 liability coverage on the leased vehicle, the lessee of such  
28 vehicle shall have the sole privilege to reject uninsured  
29 motorist coverage or to select lower limits than the bodily  
30 injury liability limits, regardless of whether the lessor is  
31 qualified as a self-insurer pursuant to s. 324.171. Unless an

1 insured, or lessee having the privilege of rejecting uninsured  
2 motorist coverage, requests such coverage or requests higher  
3 uninsured motorist limits in writing, the coverage or such  
4 higher uninsured motorist limits need not be provided in or  
5 supplemental to any other policy which renews, extends,  
6 changes, supersedes, or replaces an existing policy with the  
7 same bodily injury liability limits when an insured or lessee  
8 had rejected the coverage. When an insured or lessee has  
9 initially selected limits of uninsured motorist coverage lower  
10 than his bodily injury liability limits, higher limits of  
11 uninsured motorist coverage need not be provided in or  
12 supplemental to any other policy which renews, extends,  
13 changes, supersedes, or replaces an existing policy with the  
14 same bodily injury liability limits unless an insured requests  
15 higher uninsured motorist coverage in writing. The rejection  
16 or selection of lower limits shall be made on a form approved  
17 by the Insurance Commissioner. The form shall fully advise  
18 the applicant of the nature of the coverage and shall state  
19 that the coverage is equal to bodily injury liability limits  
20 unless lower limits are requested or the coverage is rejected.  
21 The heading of the form shall be in 12-point bold type and  
22 shall state: "You are electing not to purchase certain  
23 valuable coverage which protects you and your family or you  
24 are purchasing uninsured motorist limits less than your bodily  
25 injury liability limits when you sign this form. Please read  
26 carefully." If this form is signed by a named insured, it  
27 will be conclusively presumed that there was an informed,  
28 knowing rejection of coverage or election of lower limits on  
29 behalf of all insureds. Such presumption shall apply in favor  
30 of the insurer, its agents, and employees.The insurer shall  
31 notify the named insured at least annually of his options as

1 to the coverage required by this section. Such notice shall  
2 be part of, and attached to, the notice of premium, shall  
3 provide for a means to allow the insured to request such  
4 coverage, and shall be given in a manner approved by the  
5 department. Receipt of this notice does not constitute an  
6 affirmative waiver of the insured's right to uninsured  
7 motorist coverage where the insured has not signed a selection  
8 or rejection form. The coverage described under this section  
9 shall be over and above, but shall not duplicate, the benefits  
10 available to an insured under any workers' compensation law,  
11 personal injury protection benefits, disability benefits law,  
12 or similar law; under any automobile medical expense coverage;  
13 under any motor vehicle liability insurance coverage; or from  
14 the owner or operator of the uninsured motor vehicle or any  
15 other person or organization jointly or severally liable  
16 together with such owner or operator for the accident; and  
17 such coverage shall cover the difference, if any, between the  
18 sum of such benefits and the damages sustained, up to the  
19 maximum amount of such coverage provided under this section.  
20 The amount of coverage available under this section shall not  
21 be reduced by a setoff against any coverage, including  
22 liability insurance. Such coverage shall not inure directly  
23 or indirectly to the benefit of any workers' compensation or  
24 disability benefits carrier or any person or organization  
25 qualifying as a self-insurer under any workers' compensation  
26 or disability benefits law or similar law.

27 Section 4. Subsection (12) of section 627.728, Florida  
28 Statutes, 1996 Supplement, is amended to read:

29 627.728 Cancellations; nonrenewals.--

30 (12) No later than 10 business days after termination  
31 of a policy subject to this section, the insurer must send

1 written or electronic notice of the termination to all holders  
2 of liens on the subject vehicle, which lienholders are known  
3 to the insurer. Electronic notice is valid only by prior  
4 agreement between the insurer and the lienholder.

5 Section 5. Section 627.7288, Florida Statutes, is  
6 amended to read:

7 627.7288 Comprehensive coverage; deductible not to  
8 apply to motor vehicle glass.--The deductible provisions of  
9 any policy of motor vehicle insurance, delivered or issued in  
10 this state by an authorized or eligible insurer, providing  
11 comprehensive coverage or combined additional coverage shall  
12 not be applicable to damage to the windshield of any motor  
13 vehicle covered under such policy.

14 Section 6. Section 627.72951, Florida Statutes, is  
15 created to read:

16 627.72951 Temporary binding permitted.--An insurer may  
17 temporarily bind coverage on a vehicle for a period not to  
18 exceed 3 business days without first collecting premium,  
19 provided the policyholder has coverage on another vehicle with  
20 the same insurer or insurer group.

21 Section 7. This act shall take effect October 1, 1997.

22  
23 \*\*\*\*\*

24 HOUSE SUMMARY

25 Provides for reducing premiums for liability, personal  
26 injury protection, and collision coverage upon successful  
27 completion of a driver improvement course approved and  
28 certified by the Department of Highway Safety and Motor  
29 Vehicles which is effective in reducing crash or  
30 violation rates. Provides for temporary binding of motor  
31 vehicle insurance coverage. See bill for details.