

By the Committee on Financial Services and Representative
Edwards

1 A bill to be entitled
2 An act relating to motor vehicle insurance;
3 creating s. 627.06501, F.S.; providing for
4 reducing certain motor vehicle insurance
5 premiums for successful completion of a
6 specified driver improvement course; providing
7 criteria and limitations; providing for a
8 certificate of completion; providing
9 application; amending s. 318.1451, F.S.;
10 providing for imposing an assessment fee for an
11 additional driver improvement course; amending
12 s. 627.419, F.S.; providing for the
13 construction of policies; amending s. 627.728,
14 F.S.; providing for policy cancellations;
15 providing a time period to cure nonpayment;
16 specifying criteria for electronic notice;
17 amending s. 627.7288, F.S.; clarifying a
18 deductible provision; creating s. 627.72951,
19 F.S.; authorizing temporary binding of motor
20 vehicle insurance coverage under certain
21 circumstances; providing an effective date.

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23 Be It Enacted by the Legislature of the State of Florida:

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25 Section 1. Section 627.06501, Florida Statutes, is
26 created to read:

27 627.06501 Insurance discounts for certain persons
28 completing driver improvement course.--

29 (1) Any rate, rating schedule, or rating manual for
30 the liability, personal injury protection, and collision
31 coverages of a motor vehicle insurance policy filed with the

1 department may provide for an appropriate reduction in premium
2 charges as to such coverages when the principal operator on
3 the covered vehicle has successfully completed a driver
4 improvement course approved and certified by the Department of
5 Highway Safety and Motor Vehicles which is effective in
6 reducing crash or violation rates, or both, as determined
7 pursuant to s. 318.1451(5). Any discount, not to exceed 10
8 percent, used by an insurer is presumed to be appropriate
9 unless credible data demonstrates otherwise.

10 (2) The premium reduction authorized by this section
11 shall be effective for an insured for a 3-year period after
12 successful completion of the approved course, except that the
13 insurer may require, as a condition of maintaining the
14 reduction, that the insured:

15 (a) Not be involved in an accident for which the
16 insured is at fault; and

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

19 (3) The organization that offered the course shall,
20 upon a person's successful completion of the course, issue the
21 person a certificate that the person may use to qualify for
22 the premium discount authorized by this section.

23 (4) This section does not apply if the driver
24 improvement course is taken in lieu of a court appearance for
25 a traffic infraction as provided for in s. 318.14(9).
26 However, the five-election restriction enumerated in that
27 section is not applicable to taking the course for the
28 purposes of receiving insurance premium reductions.

29 Section 2. Subsection (4) of section 318.1451, Florida
30 Statutes, is amended to read:

31 318.1451 Driver improvement schools.--

1 (4) In addition to a regular course fee, an assessment
2 fee in the amount of \$2.50 shall be collected by the school
3 from each person who elects to attend a course, as it relates
4 to ss. 318.14(9), 322.0261, ~~and~~ 322.291, and 627.06501, which
5 shall be remitted to the Department of Highway Safety and
6 Motor Vehicles and deposited in the Highway Safety Operating
7 Trust Fund to administer this program and to fund the general
8 operations of the department.

9 Section 3. Subsection (8) is added to section 627.419,
10 Florida Statutes, 1996 Supplement, to read:

11 627.419 Construction of policies.--

12 (8) If an insurer or licensee advertises an insurance
13 policy in a language other than English, the advertisements
14 shall not be construed to modify or change the insurance
15 policy written in English, provided that the advertisement
16 clearly states that the policy written in English controls in
17 the event of a dispute and that the insurance policy language
18 may differ from the representations contained in the
19 advertisement. Nothing in this subsection shall affect the
20 provisions of s. 626.9541 relating to misrepresentations and
21 false advertising of insurance policies.

22 Section 4. Paragraph (c) of subsection (1) and
23 subsection (12) of section 627.728, Florida Statutes, 1996
24 Supplement, are amended to read:

25 627.728 Cancellations; nonrenewals.--

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

27 (c) "Nonpayment of premium" means failure of the named
28 insured to discharge when due any of his obligations in
29 connection with the payment of premiums on a policy or any
30 installment of such premium, whether the premium is payable
31 directly to the insurer or its agent or indirectly under any

1 premium finance plan or extension of credit, or failure to
2 maintain membership in an organization if such membership is a
3 condition precedent to insurance coverage. "Nonpayment of
4 premium" also means the failure of a financial institution to
5 honor an insurance applicant's check after delivery to a
6 licensed agent for payment of a premium, even if the agent has
7 previously delivered or transferred the premium to the
8 insurer; further, if the dishonored check represents the
9 initial premium payment, the contract shall be void ab initio
10 unless the nonpayment is cured within the earlier of 5 days
11 after actual notice by certified mail is received by the
12 applicant or 15 days after notice is sent to the applicant by
13 certified mail or registered mail, and if the contract is
14 void, any premium received by the insurer from a third party
15 shall be refunded to that party in full. If a dishonored check
16 is made payable to the insurer, the insurer may cancel the
17 policy in accordance with paragraph (3)(a).

18 (12) No later than 10 business days after termination
19 of a policy subject to this section, the insurer must send
20 written or electronic notice of the termination to all holders
21 of liens on the subject vehicle, which lienholders are known
22 to the insurer. Electronic notice is valid only by prior
23 agreement between the insurer and the lienholder.

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

26 627.7288 Comprehensive coverage; deductible not to
27 apply to motor vehicle glass.--The deductible provisions of
28 any policy of motor vehicle insurance, delivered or issued in
29 this state by an authorized or eligible insurer, providing
30 comprehensive coverage or combined additional coverage shall
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1 not be applicable to damage to the windshield of any motor
2 vehicle covered under such policy.

3 Section 6. Section 627.72951, Florida Statutes, is
4 created to read:

5 627.72951 Temporary binding
6 permitted.--Notwithstanding any other provision of law, an
7 insurer may temporarily bind coverage on a vehicle for a
8 period not to exceed 3 business days without first collecting
9 premium, if the policyholder has coverage on another vehicle
10 with the same insurer or insurer group.

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

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