

By Representative Melvin

1                                   A bill to be entitled  
2           An act relating to premium finance agreements;  
3           amending s. 627.841, F.S.; revising the default  
4           period for purposes of certain delinquency and  
5           collection charges; providing an effective  
6           date.

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

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10           Section 1. Subsection (1) of section 627.841, Florida  
11   Statutes, is amended to read:

12           627.841 Delinquency, collection, cancellation, and  
13   check return charges; attorney's fees.--

14           (1) A premium finance agreement may provide for the  
15   payment by the insured of a delinquency and collection charge  
16   on each installment which is postmarked after the date on  
17   which the installment is due. The charge may not in default  
18   ~~for a period of not less than 5 days in an amount not to~~  
19   exceed \$10 or 5 percent of the delinquent installment,  
20   whichever is greater; provided that if the premium finance  
21   agreement is primarily for personal, family, or household  
22   purposes, the delinquency and collection charge shall not  
23   exceed \$10. Only one such delinquency and collection charge  
24   may be collected on any such installment regardless of the  
25   period during which it remains in default.

26           Section 2. This act shall take effect October 1, 1997,  
27   and shall apply to premium finance agreements entered into on  
28   or after that date.

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HOUSE SUMMARY

Authorizes imposition of a delinquency and collection charge under a premium finance agreement if an installment is postmarked after the date the installment is due.