

By Senator Silver

38-888A-99

See HB

1                                   A bill to be entitled  
2           An act relating to insurance; creating s.  
3           627.5015, F.S.; prohibiting delivery or  
4           issuance of industrial life insurance policies  
5           after a certain date; providing application;  
6           requiring disclosure of certain information to  
7           policyholders or premium payors; amending ss.  
8           627.4555 and 627.5045, F.S.; deleting an  
9           application exception from certain secondary  
10          notice requirements; providing an effective  
11          date.

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

15           Section 1. Section 627.5015, Florida Statutes, is  
16 created to read:

17           627.5015 Industrial life insurance prohibited;  
18 application; disclosure.--

19           (1) No policy of industrial life insurance shall be  
20 delivered or issued in this state on or after October 1, 1999.

21           (2) Each policy of industrial life insurance that has  
22 been issued or delivered in this state prior to October 1,  
23 1999, shall be subject to all applicable provisions of the  
24 Florida Insurance Code and rules adopted under the code.

25           (3) Each insurer which has in force in this state a  
26 policy of industrial life insurance shall annually disclose to  
27 the policyholder or premium payor the total amount of premiums  
28 paid, the cash value, and the amount of the death benefits  
29 payable under such policy.

30           Section 2. Section 627.4555, Florida Statutes, is  
31 amended to read:

1           627.4555 Secondary notice.--~~Except as provided in this~~  
2 ~~section,~~A contract for life insurance issued or issued for  
3 delivery in this state on or after October 1, 1997, covering a  
4 natural person 64 years of age or older, which has been in  
5 force for at least 1 year, may not be lapsed for nonpayment of  
6 premium unless, after expiration of the grace period, and at  
7 least 21 days before the effective date of any such lapse, the  
8 insurer has mailed a notification of the impending lapse in  
9 coverage to the policyowner and to a specified secondary  
10 addressee if such addressee has been designated in writing by  
11 name and address by the policyowner. An insurer issuing a  
12 life insurance contract on or after October 1, 1997, shall  
13 notify the applicant of the right to designate a secondary  
14 addressee at the time of application for the policy, on a form  
15 provided by the insurer, and at any time the policy is in  
16 force, by submitting a written notice to the insurer  
17 containing the name and address of the secondary addressee.  
18 For purposes of any life insurance policy that provides a  
19 grace period of more than 51 days for nonpayment of premiums,  
20 the notice of impending lapse in coverage required by this  
21 section must be mailed to the policyowner and the secondary  
22 addressee at least 21 days before the expiration of the grace  
23 period provided in the policy. ~~This section does not apply to~~  
24 ~~any life insurance contract under which premiums are payable~~  
25 ~~monthly or more frequently and are regularly collected by a~~  
26 ~~licensed agent or are paid by credit card or any preauthorized~~  
27 ~~check processing or automatic debit service of a financial~~  
28 ~~institution.~~

29           Section 3. Section 627.5045, Florida Statutes, is  
30 amended to read:

31

1           627.5045 Secondary notice.--~~Except as provided in this~~  
2 ~~section,~~A contract for an industrial life insurance policy  
3 issued or issued for delivery in this state on or after  
4 October 1, 1997, for which premiums are paid monthly or more  
5 frequently, covering a natural person 64 years of age or older  
6 or owned by a natural person 64 years of age or older, which  
7 has been in force for at least 1 year, may not be lapsed for  
8 nonpayment of premium unless, after expiration of the grace  
9 period, and at least 21 days before the effective date of such  
10 lapse, the insurer has mailed a notification of the impending  
11 lapse in coverage to the policyowner and to a specified  
12 secondary addressee if such addressee has been designated in  
13 writing by name and address by the policyowner. An insurer  
14 issuing an industrial life insurance contract on or after  
15 October 1, 1997, shall notify the applicant of the right to  
16 designate a secondary addressee at the time of application for  
17 the policy on a form provided by the insurer and at any time  
18 the policy is in force by submitting a written notice to the  
19 insurer containing the name and address of the secondary  
20 addressee. ~~This section does not apply to any life insurance~~  
21 ~~contract under which premiums are payable monthly or more~~  
22 ~~frequently and are regularly collected by a licensed agent.~~

23           Section 4. This act shall take effect October 1, 1999.

24  
25           \*\*\*\*\*

26           HOUSE SUMMARY

27           Prohibits delivery or issuance of industrial life  
28 insurance policies in this state after October 1, 1999.  
29 Requires disclosure to policyholders or premium payors of  
30 premiums paid, cash value, and amount of death benefits  
31 payable under existing industrial life insurance  
policies. Provides uniform application of secondary  
notice requirements by deleting an exception to such  
requirements. See bill for details.