

By the Committee on Banking and Insurance; and Senator Diaz-Balart

311-1867-99

1 A bill to be entitled
2 An act relating to automobile insurance;
3 amending s. 627.739, F.S.; allowing insureds to
4 elect multiple personal injury protection
5 policy limitations; deleting requirement that
6 insurers offer certain limitations; allowing
7 insureds to receive appropriate premium
8 reductions; requiring notice; creating s.
9 627.7277, F.S.; requiring insurers to give the
10 policyholders notice of the renewal premium;
11 providing for continuation of policy coverage
12 at existing rates if the insurer fails to
13 comply; providing an effective date.

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

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17 Section 1. Subsections (1) and (3) of section 627.739,
18 Florida Statutes, are amended, and subsections (5) and (6) are
19 added to that section, to read:

20 627.739 Personal injury protection; optional
21 limitations; deductibles.--

22 (1) The named insured may elect a deductible or
23 modified coverage or combination thereof to apply to the named
24 insured alone or to the named insured and dependent relatives
25 residing in the same household, but may not elect a deductible
26 or modified coverage to apply to any other person covered
27 under the policy. Any person electing a deductible or modified
28 coverage, or a combination thereof, or subject to such
29 deductible or modified coverage as a result of the named
30 insured's election, shall have no right to claim or to recover
31 any amount so deducted from any owner, registrant, operator,

1 or occupant of a vehicle or any person or organization legally
2 responsible for any such person's acts or omissions who is
3 made exempt from tort liability by ss. 627.730-627.7405.

4 (3) Insurers shall offer coverage wherein, at the
5 election of the named insured, all benefits payable ~~under 42~~
6 ~~U.S.C. s. 1395, the federal "Medicare" program, or to active~~
7 or retired military personnel and their dependent relatives
8 shall be deducted from those benefits otherwise payable
9 pursuant to s. 627.736(1).

10 (5) The named insured shall not be prevented from
11 electing a deductible under subsection (2) and modified
12 coverages under subsections (3) and (4). Each election made by
13 the named insured under this section shall result in an
14 appropriate reduction of premium associated with that
15 election.

16 (6) All such offers shall be made in clear and
17 unambiguous language at the time the initial application is
18 taken and prior to each annual renewal and shall indicate that
19 a premium reduction will result from each election. At the
20 option of the insurer, the requirements of the preceding
21 sentence are met by using forms of notice approved by the
22 department, or by providing the following notice in 10-point
23 type in the insurer's application for initial issuance of a
24 policy of motor vehicle insurance and the insurer's annual
25 notice of renewal premium:

26 "For personal injury protection insurance, the
27 named insured may elect a deductible and to
28 exclude coverage for loss of gross income and
29 loss of earning capacity ("lost wages"). These
30 elections apply to the named insured alone, or
31 to the named insured and all dependent resident

1 relatives. A premium reduction will result from
2 these elections. The named insured is hereby
3 advised not to elect the lost wage exclusion if
4 the named insured or dependent resident
5 relatives are employed, since lost wages will
6 not be payable in the event of an accident."
7 Section 2. Section 627.7277, Florida Statutes, is
8 created to read:
9 627.7277 Notice of renewal premium.--
10 (1) As used in this section, the terms "policy" and
11 "renewal" have the meaning ascribed in s. 627.728.
12 (2) An insurer shall mail or deliver to its
13 policyholder at least 30 days' advance written notice of the
14 renewal premium for the policy. United States postal proof of
15 mailing or certified or registered mailing of notice of the
16 renewal premium to the named insured at the address shown in
17 the policy shall be sufficient proof of notice.
18 (3) If the insurer fails to provide the 30 days'
19 notice of a renewal premium that results in a premium
20 increase, the coverage under the policy remains in effect at
21 the existing rates until 30 days after the notice is given or
22 until the effective date of replacement coverage obtained by
23 the insured, whichever occurs first.
24 Section 3. This act shall take effect July 1, 1999,
25 and shall apply to policies issued or renewed on or after July
26 1, 2000.
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1 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
2 COMMITTEE SUBSTITUTE FOR
3 Senate Bill 1978

4 The committee substitute does the following:

- 5 - Provides that insurers provide clear notice to
6 policyholders that they may elect multiple personal
7 injury protection policy benefit limitations and receive
8 appropriate premium reductions at the time of initial
9 application and annual renewal;
- 10 - Deletes the Medicare coordination provision which
11 policyholders could elect to be deducted from their
12 personal injury protection benefits. The Medicare
13 provision was rendered obsolete due to a change in
14 federal law;
- 15 - Requires private passenger automobile insurers to give
16 policyholders at least 30 days' advance written notice
17 of the renewal premium of the policy. Failure to provide
18 notice of a premium increase results in coverage
19 remaining in effect at the existing rates until 30 days
20 after the notice is given or until the effective date of
21 replacement coverage obtained by the insured, whichever
22 occurs first.
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