

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; amending s. 627.7295, F.S.; providing
14 inapplicability of the section in specified
15 circumstances; providing an effective date.

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

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19 Section 1. Section 627.739, Florida Statutes, is
20 amended to read:

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

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

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

5 (2) Insurers shall offer to each applicant and to each
6 policyholder, upon the renewal of an existing policy,
7 deductibles, in amounts of \$250, \$500, \$1,000, and \$2,000,
8 such amount to be deducted from the benefits otherwise due
9 each person subject to the deduction. However, this
10 subsection shall not be applied to reduce the amount of any
11 benefits received in accordance with s. 627.736(1)(c).

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

18 (3)(4) Insurers shall offer coverage wherein, at the
19 election of the named insured, the benefits for loss of gross
20 income and loss of earning capacity described in s.
21 627.736(1)(b) shall be excluded.

22 (4) The named insured shall not be prevented from
23 electing a deductible under subsection (2) and modified
24 coverage under subsection (3). Each election made by the named
25 insured under this section shall result in an appropriate
26 reduction of premium associated with that election.

27 (5) All such offers shall be made in clear and
28 unambiguous language at the time the initial application is
29 taken and prior to each annual renewal and shall indicate that
30 a premium reduction will result from each election. At the
31 option of the insurer, the requirements of the preceding

1 sentence are met by using forms of notice approved by the
2 department, or by providing the following notice in 10-point
3 type in the insurer's application for initial issuance of a
4 policy of motor vehicle insurance and the insurer's annual
5 notice of renewal premium:

6 "For personal injury protection insurance, the
7 named insured may elect a deductible and to
8 exclude coverage for loss of gross income and
9 loss of earning capacity ("lost wages"). These
10 elections apply to the named insured alone, or
11 to the named insured and all dependent resident
12 relatives. A premium reduction will result from
13 these elections. The named insured is hereby
14 advised not to elect the lost wage exclusion if
15 the named insured or dependent resident
16 relatives are employed, since lost wages will
17 not be payable in the event of an accident."

18 Section 2. Section 627.7277, Florida Statutes, is
19 created to read:

20 627.7277 Notice of renewal premium.--

21 (1) As used in this section, the terms "policy" and
22 "renewal" have the meaning ascribed in s. 627.728.

23 (2) An insurer shall mail or deliver to its
24 policyholder at least 30 days' advance written notice of the
25 renewal premium for the policy.

26 (3) If the insurer fails to provide the 30 days'
27 notice of a renewal premium that results in a premium
28 increase, the coverage under the policy remains in effect at
29 the existing rates until 30 days after the notice is given or
30 until the effective date of replacement coverage obtained by
31 the insured, whichever occurs first.

1 Section 3. Subsection (7) of section 627.7295, Florida
2 Statutes, 1998 Supplement, is amended to read:

3 627.7295 Motor vehicle insurance contracts.--

4 (7) A policy of private passenger motor vehicle
5 insurance or a binder for such a policy may be initially
6 issued in this state only if the insurer or agent has
7 collected from the insured an amount equal to 2 months'
8 premium. An insurer, agent, or premium finance company may
9 not directly or indirectly take any action resulting in the
10 insured having paid from the insured's own funds an amount
11 less than the 2 months' premium required by this subsection.
12 This subsection applies without regard to whether the premium
13 is financed by a premium finance company or is paid pursuant
14 to a periodic payment plan of an insurer or an insurance
15 agent. This subsection does not apply if an insured or member
16 of the insured's family is renewing or replacing a policy or a
17 binder for such policy written by the same insurer or a member
18 of the same insurer group. This subsection does not apply to
19 an insurer that issues private passenger motor vehicle
20 coverage primarily to active duty or former military personnel
21 or their dependents. This subsection does not apply if all the
22 policy payments are ~~is~~ paid pursuant to a payroll deduction
23 plan or an automatic electronic funds transfer payment plan
24 from the policyholder, provided that the first policy payment
25 is made by cash, cashier's check, check, or a money order.
26 This subsection and subsection (4) do not apply if all policy
27 payment to an insurer are paid pursuant to an automatic
28 electronic funds transfer payment plan from an agent or a
29 managing general agent and if the policy includes, at a
30 minimum, personal injury protection pursuant to ss.
31 627.730-627.7405; motor vehicle property damage liability

1 pursuant to s. 627.7275; and bodily injury liability in at
2 least the amount of \$10,000 because of bodily injury to, or
3 death of, one person in any one accident and in the amount of
4 \$20,000 because of bodily injury to, or death of, two or more
5 persons in any one accident.This subsection and subsection
6 (4) do not apply if an insured has had a policy in effect for
7 at least 6 months, the insured's agent is terminated by the
8 insurer that issued the policy, and the insured obtains
9 coverage on the policy's renewal date with a new company
10 through the terminated agent.

11 Section 4. This act shall take effect July 1, 1999,
12 except that sections 1 and 2 shall apply to policies issued or
13 renewed on or after July 1, 2000.

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