

By the Committee on Banking and Insurance; and Senator Lee

311-1724-99

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A bill to be entitled
An act relating to motor vehicle insurance policies; creating s. 627.7277, F.S.; requiring insurers to give the policyholder notice of the renewal premium; providing methods of sufficiency of notice; providing for continuation of policy coverage at existing rates if the insurer fails to comply; providing an effective date.

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

Section 1. Section 627.7277, Florida Statutes, is created to read:

627.7277 Notice of renewal premium.--

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

(2) An insurer shall mail or deliver to its policyholder at least 30 days' advance written notice of the renewal premium for the policy. United States postal proof of mailing or certified or registered mailing of notice of the renewal premium to the named insured at the address shown in the policy shall be sufficient proof of notice.

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

1 Section 2. This act applies to the renewal of a policy
2 having an effective date of renewal on or after August 15,
3 2000.

4 Section 3. This act shall take effect upon becoming a
5 law.

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7 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
8 COMMITTEE SUBSTITUTE FOR
9 Senate Bill 982

10 Requires an insurer to provide its policyholder 30 days'
11 advance written notice of a renewal premium, rather than 45
12 days' notice as in SB 982.

13 The requirement that the insurer continue coverage at the old
14 rate, if the insurer fails to provide 30 days' advance notice
15 of the renewal premium, applies only if the renewal premium
16 results in a premium increase.

17 Provides methods for sufficiency of notice of the renewal
18 premium.

19 The act applies to policies having a renewal date on or after
20 August 15, 2000, rather than November 15, 1999.
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