

1 A bill to be entitled
2 An act relating to insurance policy sales and
3 delivery procedures; amending s. 627.426, F.S.;
4 relating to countersignature of certain
5 insurance policies; creating an exception to
6 the countersignature law; amending s. 626.9541,
7 F.S.; relating to sales of insurance by credit
8 card; amending s. 627.7295, F.S.; relating to
9 insurance policy down payments; providing an
10 effective date.

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

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14 Section 1. Subsection (5) is added to section 624.426,
15 Florida Statutes, to read:

16 624.426 Exceptions to resident agent and
17 countersignature law.--Section 624.425 does not apply to:
18 (5) Policies of insurance issued by insurers whose
19 agents represent, as to property, casualty, and surety
20 insurance, only one company or group of companies under common
21 ownership and for which a Florida resident agent is the agent
22 of record and the application has been lawfully submitted to
23 the insurer.

24 Section 2. Paragraph (q) of subsection (1) of section
25 626.9541, Florida Statutes, is amended to read:

26 626.9541 Unfair methods of competition and unfair or
27 deceptive acts or practices defined.--

28 (1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR
29 DECEPTIVE ACTS.--The following are defined as unfair methods
30 of competition and unfair or deceptive acts or practices:

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1 (q) Certain insurance transactions through credit card
2 facilities prohibited.--

3 1. Except as provided in subparagraph 3., no person
4 shall knowingly solicit or negotiate any insurance; seek or
5 accept applications for insurance; issue or deliver any
6 policy; receive, collect, or transmit premiums, to or for any
7 insurer; or otherwise transact insurance in this state, or
8 relative to a subject of insurance resident, located, or to be
9 performed in this state, through the arrangement or facilities
10 of a credit card facility or organization, for the purpose of
11 insuring credit card holders or prospective credit card
12 holders. The term "credit card holder" as used in this
13 paragraph means any person who may pay the charge for
14 purchases or other transactions through the credit card
15 facility or organization, whose credit with such facility or
16 organization is evidenced by a credit card identifying such
17 person as being one whose charges the credit card facility or
18 organization will pay, and who is identified as such upon the
19 credit card either by name, account number, symbol, insignia,
20 or any other method or device of identification. This
21 subparagraph does not apply as to health insurance or to
22 credit life, credit disability, or credit property insurance.

23 2. Whenever any person does or performs in this state
24 any of the acts in violation of subparagraph 1. for or on
25 behalf of any insurer or credit card facility, such insurer or
26 credit card facility shall be held to be doing business in
27 this state and, if an insurer, shall be subject to the same
28 state, county, and municipal taxes as insurers that have been
29 legally qualified and admitted to do business in this state by
30 agents or otherwise are subject, the same to be assessed and
31 collected against such insurers; and such person so doing or

1 performing any of such acts shall be personally liable for all
2 such taxes.

3 3. A licensed agent or insurer may solicit or
4 negotiate any insurance; seek or accept applications for
5 insurance; issue or deliver any policy; receive, collect, or
6 transmit premiums, to or for any insurer; or otherwise
7 transact insurance in this state, or relative to a subject of
8 insurance resident, located, or to be performed in this state,
9 through the arrangement or facilities of a credit card
10 facility or organization, for the purpose of insuring credit
11 card holders or prospective credit card holders if:

12 a. The insurance or policy which is the subject of the
13 transaction is noncancelable by any person other than the
14 named insured, the policyholder, or the insurer;

15 b. Any refund of unearned premium is made directly to
16 the credit card holder; and

17 c. The credit card transaction is authorized by the
18 signature of the credit card holder or other person authorized
19 to sign on the credit card account.

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21 The conditions enumerated in sub-subparagraphs a. through c.
22 do not apply to health insurance or to credit life, credit
23 disability, or credit property insurance; and sub-subparagraph
24 c. does not apply to property and casualty insurance so long
25 as the transaction is authorized by the insured.

26 4. No person may use or disclose information resulting
27 from the use of a credit card in conjunction with the purchase
28 of insurance, when such information is to the advantage of
29 such credit card facility or an insurance agent, or is to the
30 detriment of the insured or any other insurance agent; except
31 that this provision does not prohibit a credit card facility

1 from using or disclosing such information in any judicial
2 proceeding or consistent with applicable law on credit
3 reporting.

4 5. No such insurance shall be sold through a credit
5 card facility in conjunction with membership in any automobile
6 club. The term "automobile club" means a legal entity which,
7 in consideration of dues, assessments, or periodic payments of
8 money, promises its members or subscribers to assist them in
9 matters relating to the ownership, operation, use, or
10 maintenance of a motor vehicle; however, the definition of
11 automobile clubs does not include persons, associations, or
12 corporations which are organized and operated solely for the
13 purpose of conducting, sponsoring, or sanctioning motor
14 vehicle races, exhibitions, or contests upon race tracks, or
15 upon race courses established and marked as such for the
16 duration of such particular event. The words "motor vehicle"
17 used herein shall be the same as defined in chapter 320.

18 Section 3. Subsection (8) is added to section
19 627.7295, Florida Statutes, to read:

20 627.7295 Motor vehicle insurance contracts.--

21 (8) Subsection (7) of this section does not apply if
22 an insured or family member has previously purchased and has
23 in effect a policy of private passenger motor vehicle
24 insurance and is purchasing additional coverage or adding
25 coverage for an additional vehicle, with such coverage being
26 written by the same insurer or a member of the same insurer
27 group.

28 Section 4. This act shall take effect upon becoming a
29 law.

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