

By Senator Brown-Waite

10-827-01

1 A bill to be entitled
2 An act relating to motor vehicle service
3 warranty contracts; amending s. 626.9541, F.S.,
4 relating to unfair methods of competition and
5 unfair or deceptive acts or practices;
6 exempting motor vehicle service warranty
7 contracts from a prohibition against providing
8 free insurance; providing an effective date.

9
10 Be It Enacted by the Legislature of the State of Florida:

11
12 Section 1. Paragraph (n) of subsection (1) of section
13 626.9541, Florida Statutes, is amended to read:

14 626.9541 Unfair methods of competition and unfair or
15 deceptive acts or practices defined.--

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

19 (n) Free insurance prohibited.--

20 1. Advertising, offering, or providing free insurance
21 as an inducement to the purchase or sale of real or personal
22 property or of services directly or indirectly connected with
23 such real or personal property.

24 2. For the purposes of this paragraph, "free"
25 insurance is:

26 a. Insurance for which no identifiable and additional
27 charge is made to the purchaser of such real property,
28 personal property, or services.

29 b. Insurance for which an identifiable or additional
30 charge is made in an amount less than the cost of such

31

1 insurance as to the seller or other person, other than the
2 insurer, providing the same.

3 3. Subparagraphs 1. and 2. do not apply to:

4 a. Insurance of, loss of, or damage to the real or
5 personal property involved in any such sale or services, under
6 a policy covering the interests therein of the seller or
7 vendor.

8 b. Blanket disability insurance as defined in s.
9 627.659.

10 c. Credit life insurance or credit disability
11 insurance.

12 d. Any individual, isolated, nonrecurring unadvertised
13 transaction not in the regular course of business.

14 e. Title insurance.

15 f. Any purchase agreement involving the purchase of a
16 cemetery lot or lots in which, under stated conditions, any
17 balance due is forgiven upon the death of the purchaser.

18 g. Life insurance, trip cancellation insurance, or
19 lost baggage insurance offered by a travel agency as part of a
20 travel package offered by and booked through the agency.

21 h. Motor vehicle service warranty contracts.

22 4. Using the word "free" or words which imply the
23 provision of insurance without a cost to describe life or
24 disability insurance, in connection with the advertising or
25 offering for sale of any kind of goods, merchandise, or
26 services.

27 Section 2. This act shall take effect October 1, 2001.
28
29
30
31

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

SENATE SUMMARY

Exempts motor vehicle service warranty contracts from a prohibition against providing free insurance as an inducement to the purchase or sale of certain property or services.