

Bill No. CS for SB 2060, 1st Eng.

Amendment No. Barcode 864890

<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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Senator Latvala moved the following amendment:

Senate Amendment (with title amendment)

On page 36, between lines 17 & 18,

insert:

Section 19. Subsection (7) of section 627.7295, Florida Statutes, is amended to read:

627.7295 Motor vehicle insurance contracts.--

(7) A policy of private passenger motor vehicle insurance or a binder for such a policy may be initially issued in this state only if the insurer or agent has collected from the insured an amount equal to 2 months' premium. An insurer, agent, or premium finance company may not directly or indirectly take any action resulting in the insured having paid from the insured's own funds an amount less than the 2 months' premium required by this subsection. This subsection applies without regard to whether the premium is financed by a premium finance company or is paid pursuant to a periodic payment plan of an insurer or an insurance agent. This subsection does not apply if an insured or member

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1 of the insured's family is renewing or replacing a policy or a
2 binder for such policy written by the same insurer or a member
3 of the same insurer group. This subsection does not apply to
4 an insurer that issues private passenger motor vehicle
5 coverage primarily to active duty or former military personnel
6 or their dependents. This subsection does not apply if all
7 policy payments are paid pursuant to a payroll deduction plan
8 or an automatic electronic funds transfer payment plan from
9 the policyholder, provided that the first policy payment may
10 be ~~is~~ made by cash, cashier's check, check, or a money order.
11 This subsection and subsection (4) do not apply if all policy
12 payments to an insurer are paid pursuant to an automatic
13 electronic funds transfer payment plan from an agent or a
14 managing general agent, or if the policy is issued pursuant to
15 the transfer of a book of business by an agent from one
16 insurer to another, provided that ~~and if~~ the policy includes,
17 at a minimum, personal injury protection pursuant to ss.
18 627.730-627.7405; motor vehicle property damage liability
19 pursuant to s. 627.7275; and bodily injury liability in at
20 least the amount of \$10,000 because of bodily injury to, or
21 death of, one person in any one accident and in the amount of
22 \$20,000 because of bodily injury to, or death of, two or more
23 persons in any one accident. This subsection and subsection
24 (4) do not apply if an insured has had a policy in effect for
25 at least 6 months, the insured's agent is terminated by the
26 insurer that issued the policy, and the insured obtains
27 coverage on the policy's renewal date with a new company
28 through the terminated agent.

29 Section 20. Subsection (1) of section 627.901, Florida
30 Statutes, is amended to read:

31 627.901 Premium financing by an insurance agent or

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1 agency.--

2 (1) A general lines agent may make reasonable service
3 charges for financing insurance premiums on policies issued or
4 business produced by such an agent or agency, s. 626.9541
5 notwithstanding. The service charge shall not exceed \$1 per
6 installment, or a \$6 total service charge per year, for any
7 premium balance of \$120 or less. For any premium balance
8 greater than \$120 but not more than \$220, the service charge
9 shall not exceed \$9 per year. The maximum service charge for
10 any premium balance greater than \$220 shall not exceed \$12 per
11 year. In lieu of such service charges, an insurance agent or
12 agency may charge interest or service charges, which may be
13 level amounts and subject to endorsement changes, that in the
14 aggregate do not exceed a rate of interest not to exceed 18
15 percent simple interest per year on the average unpaid balance
16 as billed over the term of the policy.

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18 (Redesignate subsequent sections.)

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21 ===== T I T L E A M E N D M E N T =====

22 And the title is amended as follows:

23 On page 2, line 16, after the semicolon

24

25 insert:

26 amending s. 627.7295, F.S.; providing an
27 additional exception to a requirement that a
28 minimum of 2 months' premium be collected to
29 issue a policy or binder for motor vehicle
30 insurance; amending s. 627.901, F.S.;

31 authorizing insurance agents and insurers that

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1 finance premiums for certain policies to charge
2 interest or a service charge at a specified
3 rate on unpaid premiums on those policies;
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