

By Representative Mahon

1 A bill to be entitled
2 An act relating to unfair insurance trade
3 practices; amending s. 626.9541, F.S.;
4 expanding the exemption to the prohibited
5 advertising, offering, or providing of
6 specified forms of free insurance to include
7 motor vehicle service agreements offered by the
8 manufacturer at the time of sale of a new motor
9 vehicle; providing an effective date.

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

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13 Section 1. Paragraph (n) of subsection (1) of section
14 626.9541, Florida Statutes, is amended to read:

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

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

20 (n) Free insurance prohibited.--

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

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

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

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

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 agreements offered by the
22 manufacturer at the time of sale of a new motor vehicle.

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

28 Section 2. This act shall take effect upon becoming a
29 law.
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HOUSE SUMMARY

Expands the exemption to the prohibited advertising,
offering, or providing of specified forms of free
insurance which constitute an unfair method of
competition and unfair or deceptive act or practice to
include motor vehicle service agreements offered by the
manufacturer at the time of sale of a new motor vehicle.