

By the Council for Competitive Commerce and Committee on Insurance and Representatives Ross and Melvin

1                                   A bill to be entitled  
2           An act relating to premium financing; amending  
3           s. 627.901, F.S.; providing for calculation of  
4           certain interest charges; authorizing billing  
5           interest in installments; amending s. 627.902,  
6           F.S.; authorizing insurers, subsidiaries,  
7           corporations, or groups of insurers to impose  
8           certain additional service charges and fees;  
9           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. Subsection (1) of section 627.901, Florida  
14 Statutes, is amended to read:

15           627.901 Premium financing by an insurance agent or  
16 agency.--

17           (1) A general lines agent may make reasonable service  
18 charges for financing insurance premiums on policies issued or  
19 business produced by such an agent or agency, s. 626.9541  
20 notwithstanding. The service charge shall not exceed \$1 per  
21 installment, or a \$6 total service charge per year, for any  
22 premium balance of \$120 or less. For any premium balance  
23 greater than \$120 but not more than \$220, the service charge  
24 shall not exceed \$9 per year. The maximum service charge for  
25 any premium balance greater than \$220 shall not exceed \$12 per  
26 year. In lieu of such service charges, an insurance agent or  
27 agency, at the sole discretion of such agent or agency, may  
28 charge a rate of interest not to exceed 18 percent simple  
29 interest per year on:

30           (a) The unpaid balance; or

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1           (b) The average unpaid balance as billed over the term  
2 of the policy and subject to endorsement changes. The interest  
3 authorized by this paragraph may be billed in equal  
4 installments.

5           Section 2. Section 627.902, Florida Statutes, is  
6 amended to read:

7           627.902 Premium financing by an insurer or  
8 subsidiary.--An insurer, a subsidiary of an insurer, or a  
9 corporation under substantially the same management or control  
10 as an authorized insurer or group of authorized insurers may  
11 finance property, casualty, surety, and marine insurance  
12 premiums on policies issued or business produced by such  
13 insurer or insurers; however, any such insurer, subsidiary, or  
14 corporation or group of insurers that charges a ~~the~~ total  
15 service charge per year or rate of interest ~~of~~ which is  
16 substantially more than that provided in s. 627.901 shall be  
17 subject to part XV of this chapter. Notwithstanding any other  
18 provision of law, an insurer, a subsidiary of an insurer, or a  
19 corporation under substantially the same management or control  
20 as an authorized insurer or group of authorized insurers may  
21 charge one-half of the additional charge provided in s.  
22 627.840, and the charges provided in s. 627.841.

23           Section 3. This act shall take effect upon becoming a  
24 law.