

By Senator Latvala

19-1208-02

See HB 679

1                                   A bill to be entitled  
2           An act relating to insurance; amending s.  
3           627.7295, F.S.; clarifying an exception;  
4           providing an additional exception to a  
5           requirement that a minimum of 2 months' premium  
6           be collected to issue a policy or binder for  
7           motor vehicle insurance; amending s. 627.901,  
8           F.S.; authorizing insurance agents and insurers  
9           that finance premiums for certain policies to  
10          charge interest or a service charge at a  
11          specified rate on unpaid premiums on those  
12          policies; providing an effective date.

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14 Be It Enacted by the Legislature of the State of Florida:  
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16           Section 1. Subsection (7) of section 627.7295, Florida  
17 Statutes, is amended to read:

18           627.7295 Motor vehicle insurance contracts.--  
19           (7) A policy of private passenger motor vehicle  
20 insurance or a binder for such a policy may be initially  
21 issued in this state only if the insurer or agent has  
22 collected from the insured an amount equal to 2 months'  
23 premium. An insurer, agent, or premium finance company may  
24 not directly or indirectly take any action resulting in the  
25 insured having paid from the insured's own funds an amount  
26 less than the 2 months' premium required by this subsection.  
27 This subsection applies without regard to whether the premium  
28 is financed by a premium finance company or is paid pursuant  
29 to a periodic payment plan of an insurer or an insurance  
30 agent. This subsection does not apply if an insured or member  
31 of the insured's family is renewing or replacing a policy or a

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

28 Section 2. Subsection (1) of section 627.901, Florida  
29 Statutes, is amended to read:

30 627.901 Premium financing by an insurance agent or  
31 agency.--

