

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

1 A bill to be entitled
 2 An act relating to motor vehicle insurance;
 3 amending s. 324.031, F.S.; increasing minimum
 4 financial responsibility requirements for
 5 certain vehicles; amending s. 324.032, F.S.;
 6 increasing maximum self-insurance amounts for
 7 certain vehicle owners; amending s. 627.7295,
 8 F.S.; clarifying an exception; providing an
 9 additional exception to a requirement that a
 10 minimum of 2 months' premium be collected to
 11 issue a policy or binder for motor vehicle
 12 insurance; 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. Section 324.031, Florida Statutes, is
 17 amended to read:

18 324.031 Manner of proving financial
 19 responsibility.--The owner or operator of a taxicab,
 20 limousine, jitney, or any other for-hire passenger
 21 transportation vehicle may prove financial responsibility by
 22 providing satisfactory evidence of holding a motor vehicle
 23 liability policy as defined in s. 324.021(8) or s. 324.151,
 24 which policy is issued by an insurance carrier which is a
 25 member of the Florida Insurance Guaranty Association. The
 26 operator or owner of any other vehicle may prove his or her
 27 financial responsibility by:

28 (1) Furnishing satisfactory evidence of holding a
 29 motor vehicle liability policy as defined in ss. 324.021(8)
 30 and 324.151;

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1 (2) Posting with the department a satisfactory bond of
2 a surety company authorized to do business in this state,
3 conditioned for payment of the amount specified in s.
4 324.021(7);

5 (3) Furnishing a certificate of the department showing
6 a deposit of cash or securities in accordance with s. 324.161;
7 or

8 (4) Furnishing a certificate of self-insurance issued
9 by the department in accordance with s. 324.171.

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11 Any person, including any firm, partnership, association,
12 corporation, or other person, other than a natural person,
13 electing to use the method of proof specified in subsection
14 (2) or subsection (3) shall post a bond or deposit equal to
15 the number of vehicles owned times \$30,000, to a maximum of
16 \$120,000; in addition, any such person, other than a natural
17 person, shall maintain insurance providing coverage in excess
18 of limits of ~~\$25,000/50,000/10,000~~ \$10,000/20,000/10,000 or
19 ~~\$60,000/30,000~~ combined single limits, and such excess
20 insurance shall provide minimum limits of
21 ~~\$125,000/250,000/50,000~~ \$50,000/100,000/50,000 or \$300,000
22 ~~\$150,000~~ combined single limits. These increased limits shall
23 not affect the requirements for proving financial
24 responsibility under s. 324.032(1).

25 Section 2. Subsection (1) of section 324.032, Florida
26 Statutes, is amended to read:

27 324.032 Manner of proving financial responsibility;
28 for-hire passenger transportation vehicles.--

29 (1) Notwithstanding the provisions of s. 324.031, a
30 person who is either the owner or a lessee required to
31 maintain insurance under s. 324.021(9)(b) and who operates at

1 least 300 taxicabs, limousines, jitneys, or any other for-hire
2 passenger transportation vehicles may prove financial
3 responsibility by satisfying the following:
4 (a) Furnishing satisfactory evidence of holding a
5 motor vehicle liability policy as defined in s. 324.031; or
6 (b) Complying with the provisions of s. 324.171, such
7 compliance to be demonstrated by maintaining at its principal
8 place of business an audited financial statement, prepared in
9 accordance with generally accepted accounting principles, and
10 providing to the department a certification issued by a
11 certified public accountant that the applicant's net worth is
12 at least equal to the requirements of s. 324.171 as determined
13 by the Department of Insurance, including claims liabilities
14 in an amount certified as adequate by a Fellow of the Casualty
15 Actuarial Society.
16
17 Upon request by the department, the applicant must provide the
18 department at the applicant's principal place of business in
19 this state access to the applicant's underlying financial
20 information and financial statements that provide the basis of
21 the certified public accountant's certification. The
22 applicant shall reimburse the requesting department for all
23 reasonable costs incurred by it in reviewing the supporting
24 information. The maximum amount of self-insurance permissible
25 under this subsection is \$300,000~~\$100,000~~ and must be stated
26 on a per-occurrence basis, and the applicant shall maintain
27 adequate excess insurance issued by an authorized or eligible
28 insurer licensed or approved by the Department of Insurance.
29 All risks self-insured shall remain with the owner or lessee
30 providing it, and the risks are not transferable to any other
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1 person, unless a policy complying with paragraph (a) is
2 obtained.

3 Section 3. Subsection (7) of section 627.7295, Florida
4 Statutes, is amended to read:

5 627.7295 Motor vehicle insurance contracts.--

6 (7) A policy of private passenger motor vehicle
7 insurance or a binder for such a policy may be initially
8 issued in this state only if the insurer or agent has
9 collected from the insured an amount equal to 2 months'
10 premium. An insurer, agent, or premium finance company may
11 not directly or indirectly take any action resulting in the
12 insured having paid from the insured's own funds an amount
13 less than the 2 months' premium required by this subsection.
14 This subsection applies without regard to whether the premium
15 is financed by a premium finance company or is paid pursuant
16 to a periodic payment plan of an insurer or an insurance
17 agent. This subsection does not apply if an insured or member
18 of the insured's family is renewing or replacing a policy or a
19 binder for such policy written by the same insurer or a member
20 of the same insurer group. This subsection does not apply to
21 an insurer that issues private passenger motor vehicle
22 coverage primarily to active duty or former military personnel
23 or their dependents. This subsection does not apply if all
24 policy payments are paid pursuant to a payroll deduction plan
25 or an automatic electronic funds transfer payment plan from
26 the policyholder, provided that the first policy payment may
27 be ~~is~~ made by cash, cashier's check, check, or a money order.
28 This subsection and subsection (4) do not apply if all policy
29 payments to an insurer are paid pursuant to an automatic
30 electronic funds transfer payment plan from an agent or a
31 managing general agent, or if the policy is issued pursuant to

1 the transfer of a private passenger motor vehicle insurance
2 book of business by an agent from one insurer to another,
3 provided that ~~and if~~ the policy includes, at a minimum,
4 personal injury protection pursuant to ss. 627.730-627.7405;
5 motor vehicle property damage liability pursuant to s.
6 627.7275; and bodily injury liability in at least the amount
7 of \$10,000 because of bodily injury to, or death of, one
8 person in any one accident and in the amount of \$20,000
9 because of bodily injury to, or death of, two or more persons
10 in any one accident. This subsection and subsection (4) do not
11 apply if an insured has had a policy in effect for at least 6
12 months, the insured's agent is terminated by the insurer that
13 issued the policy, and the insured obtains coverage on the
14 policy's renewal date with a new company through the
15 terminated agent.

16 Section 4. This act shall take effect upon becoming a
17 law.

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