

Bill No. SB 2278

Amendment No. 2 Barcode 310286

CHAMBER ACTION

Senate

House

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The Committee on Banking and Insurance recommended the following amendment:

Senate Amendment (with title amendment)

On page 3, between lines 20 and 21,

insert:

Section 2. Subsection (11) of section 634.041, Florida Statutes, is amended to read:

634.041 Qualifications for license.--To qualify for and hold a license to issue service agreements in this state, a service agreement company must be in compliance with this part, with applicable rules of the department, with related sections of the Florida Insurance Code, and with its charter powers and must comply with the following:

(11)(a) A service agreement company offering service agreements providing vehicle protection expenses may meet the requirements for this part only by maintaining contractual liability insurance covering 100 percent of its vehicle protection claim exposure in accordance with paragraph (8)(b), which insurance must be issued by an insurance company not

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1 affiliated with the service agreement company, unless the
2 insurance company had issued a contractual liability insurance
3 policy to a service agreement company on or before January 1,
4 2002. Service agreements providing vehicle protection
5 expenses may be sold only to a service agreement holder that
6 has in-force comprehensive motor vehicle insurance coverage
7 for the vehicle to be covered by the service agreement.

8 (b) Notwithstanding any other requirement of this
9 part, a service agreement company maintaining an unearned
10 premium reserve on all service agreements in accordance with
11 paragraph (8)(a) may offer service agreements providing
12 vehicle protection expenses if it maintains contractual
13 liability insurance only on all service agreements providing
14 vehicle protection expenses and continues to maintain the
15 50-percent reserve for all service agreements not providing
16 vehicle protection expenses. A service agreement company
17 maintaining contractual liability insurance for all service
18 agreements providing vehicle protection expenses and the
19 50-percent reserve for all other service agreements must, in
20 the service agreement register as required under s.
21 634.136(4), distinguish between insured service agreements
22 providing vehicle protection expenses and service agreements
23 not providing vehicle protection expenses.

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

27 And the title is amended as follows:

28 On page 1, line 6, after the second semicolon,

29
30 insert:

31 amending s. 634.041, F.S.; providing

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1 requirements of a service agreement company to
2 offer service agreements for vehicle
3 protection;

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