

By the Committee on Banking and Insurance; and Senator Atwater

311-2521-03

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A bill to be entitled  
An act relating to insurance claims and premium payments; amending s. 627.4035, F.S.; providing for the payment of insurance premiums by a debit or credit card, automatic electronic funds transfer, or payroll deduction plan; amending s. 627.7015, F.S.; defining "claim" for purposes of alternative procedures for resolution of disputed property insurance claims; amending s. 627.901, F.S.; revising the limits on premium financing service charges; providing an effective date.

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

Section 1. Subsection (1) of section 627.4035, Florida Statutes, is amended to read:

627.4035 Cash payment of premiums; claims.--

(1) The premiums for insurance contracts issued in this state or covering risk located in this state shall be paid in cash consisting of coins, currency, checks, or money orders or by using a debit card, credit card, automatic electronic funds transfer, or payroll deduction plan.

Section 2. Subsection (9) is added to section 627.7015, Florida Statutes, to read:

627.7015 Alternative procedure for resolution of disputed property insurance claims.--

(9) For purposes of this section, the term "claim" refers to any dispute between an insurer and an insured relating to a material issue of fact other than a dispute:

1           (a) With respect to which the insurer has a reasonable  
2 basis to suspect fraud;

3           (b) Where, based on agreed-upon facts as to the cause  
4 of loss, there is no coverage under the policy;

5           (c) With respect to which the insurer has a reasonable  
6 basis to believe that the claimant has intentionally made a  
7 material misrepresentation of fact which is relevant to the  
8 claim, and the entire request for payment of a loss has been  
9 denied on the basis of the material misrepresentation; or

10           (d) With respect to which the amount in controversy is  
11 less than \$500, unless the parties agree to mediate a dispute  
12 involving a lesser amount.

13           Section 3. 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 \$3~~\$1~~  
21 ~~per installment, or a \$6 total service charge per year, for~~  
22 ~~any 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 \$36~~ \$12  
26 per year. In lieu of such service charges, an insurance agent  
27 or 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

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 4. This act shall take effect upon becoming a  
6 law.

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8                   STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
9                   COMMITTEE SUBSTITUTE FOR  
10                   Senate Bill 2428

11 The committee substitute revises the limits on premium  
12 financing service charges by an insurer or agent.  
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