



CHAMBER ACTION

The Committee on Insurance recommends the following:

Committee Substitute

Remove the entire bill and insert:

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 limits on service charges for premium financing; 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



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29 | by using a debit card, credit card, automatic electronic funds
30 | transfer, or payroll deduction plan.

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

33 | 627.7015 Alternative procedure for resolution of disputed
34 | property insurance claims.--

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

38 | (a) With respect to which the insurer has a reasonable
39 | basis to suspect fraud;

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

42 | (c) With respect to which the insurer has a reasonable
43 | basis to believe that the claimant has intentionally made a
44 | material misrepresentation of fact which is relevant to the
45 | claim, and the entire request for payment of a loss has been
46 | denied on the basis of the material misrepresentation; or

47 | (d) With respect to which the amount in controversy is
48 | less than \$500, unless the parties agree to mediate a dispute
49 | involving a lesser amount.

50 | Section 3. Subsection (1) of section 627.901, Florida
51 | Statutes, is amended to read:

52 | 627.901 Premium financing by an insurance agent or
53 | agency.--

54 | (1) A general lines agent may make reasonable service
55 | charges for financing insurance premiums on policies issued or
56 | business produced by such an agent or agency, s. 626.9541



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57 | notwithstanding. The service charge shall not exceed \$3 ~~\$1~~ per
58 | installment, ~~or a \$6 total service charge per year, for any~~
59 | ~~premium balance of \$120 or less. For any premium balance greater~~
60 | ~~than \$120 but not more than \$220, the service charge shall not~~
61 | ~~exceed \$9 per year. The maximum service charge for any premium~~
62 | ~~balance greater than \$220 shall not exceed \$36~~ \$12 per year. In
63 | lieu of such service charges, an insurance agent or agency, at
64 | the sole discretion of such agent or agency, may charge a rate
65 | of interest not to exceed 18 percent simple interest per year
66 | on:

- 67 | (a) The unpaid balance; or
68 | (b) The average unpaid balance as billed over the term of
69 | the policy and subject to endorsement changes. The interest
70 | authorized by this paragraph may be billed in equal
71 | installments.

72 | Section 4. This act shall take effect upon becoming a law.