



1 A bill to be entitled

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

11
12 Be It Enacted by the Legislature of the State of Florida:

13
14 Section 1. Subsection (1) of section 627.4035, Florida
15 Statutes, is amended to read:

16 627.4035 Cash payment of premiums; claims.--

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

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

24 627.7015 Alternative procedure for resolution of disputed
25 property insurance claims.--

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



29 (a) With respect to which the insurer has a reasonable
 30 basis to suspect fraud;

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

33 (c) With respect to which the insurer has a reasonable
 34 basis to believe that the claimant has intentionally made a
 35 material misrepresentation of fact which is relevant to the
 36 claim, and the entire request for payment of a loss has been
 37 denied on the basis of the material misrepresentation; or

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

41 Section 3. Subsection (1) of section 627.901, Florida
 42 Statutes, is amended to read:

43 627.901 Premium financing by an insurance agent or
 44 agency.--

45 (1) A general lines agent may make reasonable service
 46 charges for financing insurance premiums on policies issued or
 47 business produced by such an agent or agency, s. 626.9541
 48 notwithstanding. The service charge shall not exceed \$3 ~~\$1~~ per
 49 installment, ~~or a \$6 total service charge per year, for any~~
 50 ~~premium balance of \$120 or less. For any premium balance greater~~
 51 ~~than \$120 but not more than \$220, the service charge shall not~~
 52 ~~exceed \$9 per year.~~ The maximum service charge for ~~any premium~~
 53 ~~balance greater than \$220~~ shall not exceed \$36 ~~\$12~~ per year. In
 54 lieu of such service charges, an insurance agent or agency, at
 55 the sole discretion of such agent or agency, may charge a rate



56 | of interest not to exceed 18 percent simple interest per year
57 | on:

58 | (a) The unpaid balance; or

59 | (b) The average unpaid balance as billed over the term of
60 | the policy and subject to endorsement changes. The interest
61 | authorized by this paragraph may be billed in equal
62 | installments.

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