

By Senator Peaden

2-1279-04

See HB 639

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A bill to be entitled
An act relating to interest payable on death
claim payments; amending s. 627.4615, F.S.;
specifying alternative interest rates for
proceeds payable on death claims; deleting a
minimum rate requirement; providing an
effective date.

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

Section 1. Section 627.4615, Florida Statutes, is
amended to read:

627.4615 Interest payable on death claim
payments.--When a policy provides for payment of its proceeds
in a lump sum upon the death of the insured, the payment must
include interest, at an annual rate equal to the ~~or~~ greater
of:

- (1) The rate for funds left on deposit or the settlement option rate applicable to the policy; or
- (2) The current, short-term rate of interest under s. 1274(d) of the Internal Revenue Code of 1986, as amended, ~~than~~ the Moody's Corporate Bond Yield Average-Monthly Average Corporate as of the day the claim was received, from the date the insurer receives written due proof of death of the insured. ~~If the method of calculating such index is substantially changed from the method of calculation in use on January 1, 1993, the rate must not be less than 8 percent.~~

Section 2. This act shall take effect upon becoming a
law.