

Bill No. CS for CS for SB 2994, 1st Eng.

Amendment No. ____ Barcode 754486

CHAMBER ACTION

Senate

House

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Senator Fasano moved the following amendment:

Senate Amendment (with title amendment)

On page 166, line 15, delete that line

and insert:

Section 146. Paragraph (h) of subsection (2) of section 20.121, Florida Statutes, is amended to read:

20.121 Department of Financial Services.--There is created a Department of Financial Services.

(2) DIVISIONS.--The Department of Financial Services shall consist of the following divisions:

(h) The Division of Consumer Services, which shall include a Bureau of Funeral and Cemetery Services.

1. The Division of Consumer Services shall perform the following functions concerning products or services regulated by the Department of Financial Services or by either office of the Financial Services Commission:

a. Receive inquiries and complaints from consumers.

b. Prepare and disseminate such information as the department deems appropriate to inform or assist consumers.

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1 c. Provide direct assistance and advocacy for
2 consumers who request such assistance or advocacy.†

3 d. With respect to apparent or potential violations of
4 law or applicable rules by a person or entity licensed by the
5 department or by either office of the commission, report such
6 apparent or potential violation to the appropriate division of
7 the department or office of the commission, which may take
8 such further action as it deems appropriate.

9 e. Designate an employee of the division as primary
10 contact for consumers on issues relating to sinkholes.

11 2. Any person licensed or issued a certificate of
12 authority by the department or by the Office of Insurance
13 Regulation shall respond, in writing, to the Division of
14 Consumer Services within 20 days after receipt of a written
15 request for information from the division concerning a
16 consumer complaint. The response must address the issues and
17 allegations raised in this complaint. The division may, in its
18 discretion, impose an administrative penalty for failure to
19 comply with this subparagraph in an amount up to \$2,500 per
20 violation upon any entity licensed by the department or the
21 Office of Insurance Regulation and \$250 for the first
22 violation, \$500 for the second violation and up to \$1,000 per
23 violation thereafter upon any individual licensed by the
24 department or the Office of Insurance Regulation.

25 3. The department may adopt rules to implement the
26 provisions of this paragraph.

27 4. The powers, duties, and responsibilities expressed
28 or granted in this paragraph shall not limit the powers,
29 duties, and responsibilities of the Department of Financial
30 Services, the Financial Services Commission, the Office of
31 Insurance Regulation, or the Office of Financial Regulation

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1 set forth elsewhere in the Florida Statutes.

2 Section 147. Paragraph (a) of subsection (7) of
3 section 440.107, Florida Statutes, is amended to read:

4 440.107 Department powers to enforce employer
5 compliance with coverage requirements.--

6 (7)(a) Whenever the department determines that an
7 employer who is required to secure the payment to his or her
8 employees of the compensation provided for by this chapter has
9 failed to secure the payment of workers' compensation required
10 by this chapter or to produce the required business records
11 under subsection (5) within 5 business days after receipt of
12 the written request of the department, such failure shall be
13 deemed an immediate serious danger to public health, safety,
14 or welfare sufficient to justify service by the department of
15 a stop-work order on the employer, requiring the cessation of
16 all business operations. If the department makes such a
17 determination, the department shall issue a stop-work order
18 within 72 hours. The order shall take effect when served upon
19 the employer or, for a particular employer work site, when
20 served at that work site. In addition to serving a stop-work
21 order at a particular work site which shall be effective
22 immediately, the department shall immediately proceed with
23 service upon the employer which shall be effective upon all
24 employer work sites in the state for which the employer is not
25 in compliance. A stop-work order may be served with regard to
26 an employer's work site by posting a copy of the stop-work
27 order in a conspicuous location at the work site. The order
28 shall remain in effect until the department issues an order
29 releasing the stop-work order upon a finding that the employer
30 has come into compliance with the coverage requirements of
31 this chapter and has paid any penalty assessed under this

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1 section. The department may issue an order of conditional
2 release from a stop-work order to an employer upon a finding
3 that the employer has complied with coverage requirements of
4 this chapter and has agreed to remit periodic payments of the
5 penalty pursuant to a payment agreement schedule with the
6 department. If an order of conditional release is issued,
7 failure by the employer to meet any term or condition of such
8 penalty payment agreement shall result in the immediate
9 reinstatement of the stop-work order and the entire unpaid
10 balance of the penalty shall become immediately due. The
11 department may require an employer who is found to have failed
12 to comply with the coverage requirements of s. 440.38 to file
13 with the department, as a condition of release from a
14 stop-work order, periodic reports for a probationary period
15 that shall not exceed 2 years that demonstrate the employer's
16 continued compliance with this chapter. The department shall
17 by rule specify the reports required and the time for filing
18 under this subsection.

19 Section 148. Section 501.137, Florida Statutes, is
20 amended to read:

21 501.137 Mortgage lenders; tax and insurance payments
22 from escrow accounts; duties.--

23 (1) Every lender of money, whether a natural person or
24 an artificial entity, whose loans are secured by a mortgage on
25 real estate located within the state and who receives funds
26 incidental thereto or in connection therewith for the payment
27 of property taxes or hazard insurance premiums when ~~the~~ such
28 funds are held in escrow by or on behalf of the lender, shall
29 promptly pay ~~the~~ such taxes or insurance premiums when ~~the~~
30 ~~such~~ taxes or premiums become due and adequate escrow funds
31 are deposited, so that the maximum tax discount available may

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1 be obtained with regard to the taxable property and so that
2 insurance coverage on the property does not lapse.

3 (2) If an escrow account for the such taxes or
4 insurance premiums is deficient, the lender shall notify the
5 property owner within 15 days after the lender receives the
6 notification of taxes due from the county tax collector or
7 receives the notification from the insurer that a premium is
8 due.

9 (3)(a) If the lender, as a result of neglect, fails to
10 pay any tax or insurance premium when the tax or premium is
11 due and there are sufficient escrow funds on deposit to pay
12 the tax or premium, and if the property owner suffers a loss
13 as a result of this such failure, then the lender is will be
14 liable for the such loss; except, however, that with respect
15 to any loss which would otherwise have been insured, the
16 extent of the such liability shall not exceed the coverage
17 limits of any insurance policy which has lapsed.

18 (b) If the lender violates paragraph (a) and the
19 premium payment is not more than 90 days overdue, the insurer
20 shall reinstate the insurance policy, retroactive to the date
21 of cancellation, and the lender shall reimburse the property
22 owner for any penalty or fees imposed by the insurer and paid
23 by the property owner for purposes of reinstating the policy.

24 (c) If the lender violates paragraph (a) and the
25 premium payment is more than 90 days overdue or if the insurer
26 refuses to reinstate the insurance policy, the lender shall
27 pay the difference between the cost of the previous insurance
28 policy and a new, comparable insurance policy for a period of
29 2 years.

30 (4) At the expiration of the annual accounting period,
31 the lender shall issue to the property owner an annual

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1 statement of the escrow account.

2 Section 149. Paragraph (c) of subsection (3) of
3 section 624.610, Florida Statutes, is amended to read:

4 624.610 Reinsurance.--

5 (3)

6 (c)1. Credit must be allowed when the reinsurance is
7 ceded to an assuming insurer that maintains a trust fund in a
8 qualified United States financial institution, as defined in
9 paragraph (5)(b), for the payment of the valid claims of its
10 United States ceding insurers and their assigns and successors
11 in interest. To enable the office to determine the sufficiency
12 of the trust fund, the assuming insurer shall report annually
13 to the office information substantially the same as that
14 required to be reported on the NAIC Annual Statement form by
15 authorized insurers. The assuming insurer shall submit to
16 examination of its books and records by the office and bear
17 the expense of examination.

18 2.a. Credit for reinsurance must not be granted under
19 this subsection unless the form of the trust and any
20 amendments to the trust have been approved by:

21 (I) The insurance regulator of the state in which the
22 trust is domiciled; or

23 (II) The insurance regulator of another state who,
24 pursuant to the terms of the trust instrument, has accepted
25 principal regulatory oversight of the trust.

26 b. The form of the trust and any trust amendments must
27 be filed with the insurance regulator of every state in which
28 the ceding insurer beneficiaries of the trust are domiciled.
29 The trust instrument must provide that contested claims are
30 valid and enforceable upon the final order of any court of
31 competent jurisdiction in the United States. The trust must

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1 vest legal title to its assets in its trustees for the benefit
2 of the assuming insurer's United States ceding insurers and
3 their assigns and successors in interest. The trust and the
4 assuming insurer are subject to examination as determined by
5 the insurance regulator.

6 c. The trust remains in effect for as long as the
7 assuming insurer has outstanding obligations due under the
8 reinsurance agreements subject to the trust. No later than
9 February 28 of each year, the trustee of the trust shall
10 report to the insurance regulator in writing the balance of
11 the trust and list the trust's investments at the preceding
12 year end, and shall certify that the trust will not expire
13 prior to the following December 31.

14 3. The following requirements apply to the following
15 categories of assuming insurer:

16 a. The trust fund for a single assuming insurer
17 consists of funds in trust in an amount not less than the
18 assuming insurer's liabilities attributable to reinsurance
19 ceded by United States ceding insurers, and, in addition, the
20 assuming insurer shall maintain a trusted surplus of not less
21 than \$20 million. Not less than 50 percent of the funds in the
22 trust covering the assuming insurer's liabilities attributable
23 to reinsurance ceded by United States ceding insurers and
24 trusted surplus shall consist of assets of a quality
25 substantially similar to that required in part II of chapter
26 625. Clean, irrevocable, unconditional, and evergreen letters
27 of credit, issued or confirmed by a qualified United States
28 financial institution, as defined in paragraph (5)(a),
29 effective no later than December 31 of the year for which the
30 filing is made and in the possession of the trust on or before
31 the filing date of its annual statement, may be used to fund

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1 the remainder of the trust and trusted surplus.

2 b.(I) In the case of a group including incorporated
3 and individual unincorporated underwriters:

4 (A) For reinsurance ceded under reinsurance agreements
5 with an inception, amendment, or renewal date on or after
6 August 1, 1995, the trust consists of a trustee account in an
7 amount not less than the group's several liabilities
8 attributable to business ceded by United States domiciled
9 ceding insurers to any member of the group;

10 (B) For reinsurance ceded under reinsurance agreements
11 with an inception date on or before July 31, 1995, and not
12 amended or renewed after that date, notwithstanding the other
13 provisions of this section, the trust consists of a trustee
14 account in an amount not less than the group's several
15 insurance and reinsurance liabilities attributable to business
16 written in the United States; and

17 (C) In addition to these trusts, the group shall
18 maintain in trust a trustee surplus of which \$100 million
19 must be held jointly for the benefit of the United States
20 domiciled ceding insurers of any member of the group for all
21 years of account.

22 (II) The incorporated members of the group must not be
23 engaged in any business other than underwriting of a member of
24 the group, and are subject to the same level of regulation and
25 solvency control by the group's domiciliary regulator as the
26 unincorporated members.

27 (III) Within 90 days after its financial statements
28 are due to be filed with the group's domiciliary regulator,
29 the group shall provide to the insurance regulator an annual
30 certification by the group's domiciliary regulator of the
31 solvency of each underwriter member or, if a certification is

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1 unavailable, financial statements, prepared by independent
2 public accountants, of each underwriter member of the group.

3 Section 150. Section 625.081, Florida Statutes, is
4 amended to read:

5 625.081 Reserve for health insurance.--For all health
6 insurance policies, the insurer shall maintain an active life
7 reserve which places a sound value on the insurer's
8 liabilities under such policies; is not less than the reserve
9 according to appropriate standards set forth in rules issued
10 by the commission; and, with the exception of credit
11 disability insurance, in no event, is less in the aggregate
12 than the pro rata gross unearned premiums for such policies.

13 Section 151. Paragraphs (a), (e), and (f) of
14 subsection (5) and subsection (13) of section 625.121, Florida
15 Statutes, are amended, and paragraphs (k) and (l) are added to
16 subsection (5) of that section, to read:

17 625.121 Standard Valuation Law; life insurance.--

18 (5) MINIMUM STANDARD FOR VALUATION OF POLICIES AND
19 CONTRACTS ISSUED ON OR AFTER OPERATIVE DATE OF STANDARD
20 NONFORFEITURE LAW.--Except as otherwise provided in paragraph
21 (h) and subsections (6), (11), and (14), the minimum standard
22 for the valuation of all such policies and contracts issued on
23 or after the operative date of s. 627.476 (Standard
24 Nonforfeiture Law for Life Insurance) shall be the
25 commissioners' reserve valuation method defined in subsections
26 (7), (11), and (14); 5 percent interest for group annuity and
27 pure endowment contracts and 3.5 percent interest for all
28 other such policies and contracts, or in the case of life
29 insurance policies and contracts, other than annuity and pure
30 endowment contracts, issued on or after July 1, 1973, 4
31 percent interest for such policies issued prior to October 1,

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1 1979, and 4.5 percent interest for such policies issued on or
 2 after October 1, 1979; and the following tables:

3 (a) For all ordinary policies of life insurance issued
 4 on the standard basis, excluding any disability and accidental
 5 death benefits in such policies:

6 1. For policies issued prior to the operative date of
 7 s. 627.476(9), the commissioners' 1958 Standard Ordinary
 8 Mortality Table; except that, for any category of such
 9 policies issued on female risks, modified net premiums and
 10 present values, referred to in subsection (7), may be
 11 calculated according to an age not more than 6 years younger
 12 than the actual age of the insured, ~~and~~

13 2. For policies issued on or after the operative date
 14 of s. 627.476(9), the commissioners' 1980 Standard Ordinary
 15 Mortality Table or, at the election of the insurer for any one
 16 or more specified plans of life insurance, the commissioners'
 17 1980 Standard Ordinary Mortality Table with Ten-Year Select
 18 Mortality Factors.

19 3. For policies issued on or after July 1, 2004,
 20 ordinary mortality tables, adopted after 1980 by the National
 21 Association of Insurance Commissioners, adopted by rule by the
 22 commission for use in determining the minimum standard of
 23 valuation for such policies.

24 (e) For total and permanent disability benefits in or
 25 supplementary to ordinary policies or contracts:

26 1. For policies or contracts issued on or after
 27 January 1, 1966, the tables of period 2 disablement rates and
 28 the 1930 to 1950 termination rates of the 1952 disability
 29 study of the Society of Actuaries, with due regard to the type
 30 of benefit;

31 2. For policies or contracts issued on or after

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1 January 1, 1961, and prior to January 1, 1966, either those
 2 tables or, at the option of the insurer, the class three
 3 disability table (1926); ~~and~~

4 3. For policies issued prior to January 1, 1961, the
 5 class three disability table (1926); ~~and~~—

6 4. For policies or contracts issued on or after July
 7 1, 2004, tables of disablement rates and termination rates
 8 adopted after 1980 by the National Association of Insurance
 9 Commissioners, adopted by rule by the commission for use in
 10 determining the minimum standard of valuation for those
 11 policies or contracts.

12
 13 Any such table for active lives shall be combined with a
 14 mortality table permitted for calculating the reserves for
 15 life insurance policies.

16 (f) For accidental death benefits in or supplementary
 17 to policies:

18 1. For policies issued on or after January 1, 1966,
 19 the 1959 Accidental Death Benefits Table;

20 2. For policies issued on or after January 1, 1961,
 21 and prior to January 1, 1966, either that table or, at the
 22 option of the insurer, the Intercompany Double Indemnity
 23 Mortality Table; ~~and~~

24 3. For policies issued prior to January 1, 1961, the
 25 Intercompany Double Indemnity Mortality Table; ~~and~~—

26 4. For policies issued on or after July 1, 2004,
 27 tables of accidental death benefits adopted after 1980 by the
 28 National Association of Insurance Commissioners, adopted by
 29 rule by the commission for use in determining the minimum
 30 standard of valuation for those policies.

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1 Either table shall be combined with a mortality table
 2 permitted for calculating the reserves for life insurance
 3 policies.

4 (k) For individual annuity and pure endowment
 5 contracts issued on or after July 1, 2004, excluding any
 6 disability and accidental death benefits purchased under those
 7 contracts, individual annuity mortality tables adopted after
 8 1980 by the National Association of Insurance Commissioners,
 9 adopted by rule by the commission for use in determining the
 10 minimum standard of valuation for those contracts.

11 (l) For all annuities and pure endowments purchased on
 12 or after July 1, 2004, under group annuity and pure endowment
 13 contracts, excluding any disability and accidental death
 14 benefits purchased under those contracts, group annuity
 15 mortality tables adopted after 1980 by the National
 16 Association of Insurance Commissioners, adopted by rule by the
 17 commission for use in determining the minimum standard of
 18 valuation for those contracts.

19 (13) ~~APPLICABILITY TO CREDIT LIFE AND DISABILITY~~
 20 ~~INSURANCE POLICIES.--~~

21 (a) For policies issued prior to January 1, 2004:

22 1. The minimum reserve for single-premium credit
 23 disability insurance, monthly premium credit life insurance
 24 and monthly premium credit disability insurance shall be the
 25 unearned gross premium.

26 2. As to single-premium credit life insurance
 27 policies, the insurer shall establish and maintain reserves
 28 that are not less than the value, at the valuation date, of
 29 the risk for the unexpired portion of the period for which the
 30 premium has been paid as computed on the basis of the
 31 commissioners' 1980 Standard Ordinary Mortality Table and 3.5

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1 percent interest. At the discretion of the office, the insurer
2 may make a reasonable assumption as to the ages at which net
3 premiums are to be determined. In lieu of the foregoing basis,
4 reserves based upon unearned gross premiums may be used at the
5 option of the insurer.

6 (b) For policies issued on or after January 1, 2004:

7 1. The minimum reserve for single-premium credit
8 disability insurance shall be either:

9 a. The unearned gross premium, or

10 b. Based upon a morbidity table that is adopted by the
11 National Association of Insurance Commissioners and is
12 specified in a rule the commission adopts pursuant to
13 subsection (14).

14 2. The minimum reserve for monthly premium credit
15 disability insurance shall be the unearned gross premium.

16 3. The minimum reserve for monthly premium credit life
17 insurance shall be the unearned gross premium.

18 4. As to single-premium credit life insurance
19 policies, the insurer shall establish and maintain reserves
20 that are not less than the value, at the valuation date, of
21 the risk for the unexpired portion of the period for which the
22 premium has been paid as computed on the basis of the
23 commissioners' 1980 Standard Ordinary Mortality Table or any
24 ordinary mortality table, adopted after 1980 by the National
25 Association of Insurance Commissioners, that is approved by
26 rule adopted by the commission for use in determining the
27 minimum standard of valuation for such policies; and an
28 interest rate determined in accordance with subsection (6). At
29 the discretion of the office, the insurer may make a
30 reasonable assumption as to the ages at which net premiums are
31 to be determined. In lieu of the foregoing basis, reserves

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1 based upon unearned gross premiums may be used at the option
2 of the insurer. This section does not apply as to those credit
3 life insurance policies for which reserves are computed and
4 maintained as required under s. 625.131.

5 Section 152. Paragraphs (c) and (d) of subsection (1)
6 of section 626.321, Florida Statutes, are amended to read:

7 626.321 Limited licenses.--

8 (1) The department shall issue to a qualified
9 individual, or a qualified individual or entity under
10 paragraphs (c), (d), (e), and (i), a license as agent
11 authorized to transact a limited class of business in any of
12 the following categories:

13 (c) Personal accident insurance.--License covering
14 only policies of personal accident insurance covering the
15 risks of travel, except as provided in subparagraph 2. The
16 license may be issued only:

17 1. To a full-time salaried employee of a common
18 carrier or a full-time salaried employee or owner of a
19 transportation ticket agency and may authorize the sale of
20 such ticket policies only in connection with the sale of
21 transportation tickets, or to the full-time salaried employee
22 of such an agent. No such policy shall be for a duration of
23 more than 48 hours or for the duration of a specified one-way
24 trip or round trip.

25 2. To a full-time salaried employee of a business
26 which offers motor vehicles for rent or lease, or to a
27 business entity ~~office of a business~~ which offers motor
28 vehicles for rent or lease ~~if insurance sales activities~~
29 ~~authorized by the license are limited to full-time salaried~~
30 ~~employees.~~ A business office licensed or a person licensed
31 pursuant to this subparagraph may, as an agent of an insurer,

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1 transact insurance that provides coverage for accidental
 2 personal injury or death of the lessee and any passenger who
 3 is riding or driving with the covered lessee in the rental
 4 motor vehicle if the lease or rental agreement is for not more
 5 than 30 days, or if the lessee is not provided coverage for
 6 more than 30 consecutive days per lease period; however, if
 7 the lease is extended beyond 30 days, the coverage may be
 8 extended one time only for a period not to exceed an
 9 additional 30 days.

10 (d) Baggage and motor vehicle excess liability
 11 insurance.--

12 1. License covering only insurance of personal effects
 13 except as provided in subparagraph 2. The license may be
 14 issued only:

15 a. To a full-time salaried employee of a common
 16 carrier or a full-time salaried employee or owner of a
 17 transportation ticket agency, which person is engaged in the
 18 sale or handling of transportation of baggage and personal
 19 effects of travelers, and may authorize the sale of such
 20 insurance only in connection with such transportation; or

21 b. To the full-time salaried employee of a licensed
 22 general lines agent, ~~a full-time salaried employee of a~~
 23 ~~business which offers motor vehicles for rent or lease,~~ or to
 24 ~~a business office of a business entity that which~~ offers motor
 25 vehicles for rent or lease if insurance sales activities
 26 authorized by the license are in connection with and
 27 incidental to the rental of a motor vehicle limited to
 28 full-time salaried employees. An entity applying for a license
 29 under this sub-subparagraph:

30 (I) Is required to submit only one application for a
 31 license under s. 626.171. The requirements of s. 626.171(5)

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1 shall apply only to the officers and directors of the entity
2 submitting the application.

3 (II) Is required to obtain a license for each office,
4 branch office, or place of business making use of the entity's
5 business name by applying to the department for the license on
6 a simplified application form developed by rule of the
7 department for this purpose.

8 (III) Is required to pay the applicable fees for a
9 license as prescribed in s. 624.501, be appointed under s.
10 626.112, and pay the prescribed appointment fee under s.
11 624.501. A licensed and appointed entity shall be directly
12 responsible and accountable for all acts of the licensee's
13 employees.

14
15 The purchaser of baggage insurance shall be provided written
16 information disclosing that the insured's homeowner's policy
17 may provide coverage for loss of personal effects and that the
18 purchase of such insurance is not required in connection with
19 the purchase of tickets or in connection with the lease or
20 rental of a motor vehicle.

21 2. A business entity that office licensed pursuant to
22 subparagraph 1., or a person licensed pursuant to subparagraph
23 1. who is a full-time salaried employee of a business which
24 offers motor vehicles for rent or lease, may include lessees
25 under a master contract providing coverage to the lessor or
26 may transact excess motor vehicle liability insurance
27 providing coverage in excess of the standard liability limits
28 provided by the lessor in its lease to a person renting or
29 leasing a motor vehicle from the licensee's employer for
30 liability arising in connection with the negligent operation
31 of the leased or rented motor vehicle, provided that the lease

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1 or rental agreement is for not more than 30 days; that the
2 lessee is not provided coverage for more than 30 consecutive
3 days per lease period, and, if the lease is extended beyond 30
4 days, the coverage may be extended one time only for a period
5 not to exceed an additional 30 days; that the lessee is given
6 written notice that his or her personal insurance policy
7 providing coverage on an owned motor vehicle may provide
8 additional excess coverage; and that the purchase of the
9 insurance is not required in connection with the lease or
10 rental of a motor vehicle. The excess liability insurance may
11 be provided to the lessee as an additional insured on a policy
12 issued to the licensee's employer.

13 3. A business ~~entity that office licensed pursuant to~~
14 ~~subparagraph 1., or a person licensed pursuant to subparagraph~~
15 ~~1. who is a full-time salaried employee of a business which~~
16 offers motor vehicles for rent or lease, may, as an agent of
17 an insurer, transact insurance that provides coverage for the
18 liability of the lessee to the lessor for damage to the leased
19 or rented motor vehicle if:

20 a. The lease or rental agreement is for not more than
21 30 days; or the lessee is not provided coverage for more than
22 30 consecutive days per lease period, but, if the lease is
23 extended beyond 30 days, the coverage may be extended one time
24 only for a period not to exceed an additional 30 days;

25 b. The lessee is given written notice that his or her
26 personal insurance policy that provides coverage on an owned
27 motor vehicle may provide such coverage with or without a
28 deductible; and

29 c. The purchase of the insurance is not required in
30 connection with the lease or rental of a motor vehicle.

31 Section 153. Section 626.9743, Florida Statutes, is

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1 created to read:

2 626.9743 Claim settlement practices relating to motor
3 vehicle insurance.--

4 (1) This section shall apply to the adjustment and
5 settlement of personal and commercial motor vehicle insurance
6 claims.

7 (2) An insurer may not, when liability and damages
8 owed under the policy are reasonably clear, recommend that a
9 third-party claimant make a claim under his or her own policy
10 solely to avoid paying the claim under the policy issued by
11 that insurer. However, the insurer may identify options to a
12 third-party claimant relative to the repair of his or her
13 vehicle.

14 (3) An insurer that elects to repair a motor vehicle
15 and specifically requires a particular repair shop for vehicle
16 repairs shall cause the damaged vehicle to be restored to its
17 physical condition as to performance and appearance
18 immediately prior to the loss at no additional cost to the
19 insured or third-party claimant other than as stated in the
20 policy.

21 (4) An insurer may not require the use of replacement
22 parts in the repair of a motor vehicle which are not at least
23 equivalent in kind and quality to the damaged parts prior to
24 the loss in terms of fit, appearance, and performance.

25 (5) When the insurance policy provides for the
26 adjustment and settlement of first-party motor vehicle total
27 losses on the basis of actual cash value or replacement with
28 another of like kind and quality, the insurer shall use one of
29 the following methods:

30 (a) The insurer may elect a cash settlement based upon
31 the actual cost to purchase a comparable motor vehicle,

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1 including sales tax, if applicable pursuant to subsection (9).
2 Such cost may be derived from:
3 1. When comparable motor vehicles are available in the
4 local market area, the cost of two or more such comparable
5 motor vehicles available within the preceding 90 days;
6 2. The retail cost as determined from a generally
7 recognized used motor vehicle industry source such as:
8 a. An electronic database if the pertinent portions of
9 the valuation documents generated by the database are provided
10 by the insurer to the first-party insured upon request; or
11 b. A guidebook that is generally available to the
12 general public if the insurer identifies the guidebook used as
13 the basis for the retail cost to the first-party insured upon
14 request; or
15 3. The retail cost using two or more quotations
16 obtained by the insurer from two or more licensed dealers in
17 the local market area.
18 (b) The insurer may elect to offer a replacement motor
19 vehicle that is a specified comparable motor vehicle available
20 to the insured, including sales tax if applicable pursuant to
21 subsection (9), paid for by the insurer at no cost other than
22 any deductible provided in the policy and betterment as
23 provided in subsection (6). The offer must be documented in
24 the insurer's claim file. For purposes of this subsection, a
25 comparable motor vehicle is one that is made by the same
26 manufacturer, of the same or newer model year, and of similar
27 body type and that has similar options and mileage as the
28 insured vehicle. Additionally, a comparable motor vehicle must
29 be in as good or better overall condition than the insured
30 vehicle and available for inspection within a reasonable
31 distance of the insured's residence.

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1 (c) When a motor vehicle total loss is adjusted or
2 settled on a basis that varies from the methods described in
3 paragraph (a) or paragraph (b), the determination of value
4 must be supported by documentation, and any deductions from
5 value must be itemized and specified in appropriate dollar
6 amounts. The basis for such settlement shall be explained to
7 the claimant in writing, if requested, and a copy of the
8 explanation shall be retained in the insurer's claim file.

9 (d) Any other method agreed to by the claimant.

10 (6) When the amount offered in settlement reflects a
11 reduction by the insurer because of betterment or
12 depreciation, information pertaining to the reduction shall be
13 maintained with the insurer's claim file. Deductions shall be
14 itemized and specific as to dollar amount and shall accurately
15 reflect the value assigned to the betterment or depreciation.
16 The basis for any deduction shall be explained to the claimant
17 in writing, if requested, and a copy of the explanation shall
18 be maintained with the insurer's claim file.

19 (7) Every insurer shall, if partial losses are settled
20 on the basis of a written estimate prepared by or for the
21 insurer, supply the insured a copy of the estimate upon which
22 the settlement is based.

23 (8) Every insurer shall provide notice to an insured
24 before termination of payment for previously authorized
25 storage charges, and the notice shall provide 72 hours for the
26 insured to remove the vehicle from storage before terminating
27 payment of the storage charges.

28 (9) If sales tax will necessarily be incurred by a
29 claimant upon replacement of a total loss or upon repair of a
30 partial loss, the insurer may defer payment of the sales tax
31 unless and until the obligation has actually been incurred.

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1 (10) Nothing in this section shall be construed to
2 authorize or preclude enforcement of policy provisions
3 relating to settlement disputes.

4 Section 154. Section 626.9744, Florida Statutes, is
5 created to read:

6 626.9744 Claim settlement practices relating to
7 property insurance.--Unless otherwise provided by the policy,
8 when a homeowner's insurance policy provides for the
9 adjustment and settlement of first-party losses based on
10 repair or replacement cost, the following requirements apply:

11 (1) When a loss requires repair or replacement of an
12 item or part, any physical damage incurred in making such
13 repair or replacement which is covered and not otherwise
14 excluded by the policy shall be included in the loss to the
15 extent of any applicable limits. The insured may not be
16 required to pay for betterment required by ordinance or code
17 except for the applicable deductible, unless specifically
18 excluded or limited by the policy.

19 (2) When a loss requires replacement of items and the
20 replaced items do not match in quality, color, or size, the
21 insurer shall make reasonable repairs or replacement of items
22 in adjoining areas. In determining the extent of the repairs
23 or replacement of items in adjoining areas, the insurer may
24 consider the cost of repairing or replacing the undamaged
25 portions of the property, the degree of uniformity that can be
26 achieved without such cost, the remaining useful life of the
27 undamaged portion, and other relevant factors.

28 (3) This section shall not be construed to make the
29 insurer a warrantor of the repairs made pursuant to this
30 section.

31 (4) Nothing in this section shall be construed to

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1 authorize or preclude enforcement of policy provisions
2 relating to settlement disputes.

3 Section 155. Effective July 1, 2004, and applicable to
4 cancellation requests and notices received on or after that
5 date, subsection (3) of section 627.311, Florida Statutes, is
6 amended to read:

7 627.311 Joint underwriters and joint reinsurers;
8 public records and public meetings exemptions.--

9 (3) The office may, after consultation with insurers
10 licensed to write automobile insurance in this state, approve
11 a joint underwriting plan for purposes of equitable
12 apportionment or sharing among insurers of automobile
13 liability insurance and other motor vehicle insurance, as an
14 alternate to the plan required in s. 627.351(1). All insurers
15 authorized to write automobile insurance in this state shall
16 subscribe to the plan and participate therein. The plan shall
17 be subject to continuous review by the office which may at any
18 time disapprove the entire plan or any part thereof if it
19 determines that conditions have changed since prior approval
20 and that in view of the purposes of the plan changes are
21 warranted. Any disapproval by the office shall be subject to
22 the provisions of chapter 120. The Florida Automobile Joint
23 Underwriting Association is created under the plan. The plan
24 and the association:

25 (a) Must be subject to all provisions of s.
26 627.351(1), except apportionment of applicants.

27 (b) May provide for one or more designated insurers,
28 able and willing to provide policy and claims service, to act
29 on behalf of all other insurers to provide insurance for
30 applicants who are in good faith entitled to, but unable to,
31 procure insurance through the voluntary insurance market at

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1 standard rates.

2 (c) Must provide that designated insurers will issue
3 policies of insurance and provide policyholder and claims
4 service on behalf of all insurers for the joint underwriting
5 association.

6 (d) Must provide for the equitable apportionment among
7 insurers of losses and expenses incurred.

8 (e) Must provide that the joint underwriting
9 association will operate subject to the supervision and
10 approval of a board of governors consisting of 11 individuals,
11 including 1 who will be elected as chair. Five members of the
12 board must be appointed by the Chief Financial Officer. Two of
13 the Chief Financial Officer's appointees must be chosen from
14 the insurance industry. Any board member appointed by the
15 Chief Financial Officer may be removed and replaced by her or
16 him at any time without cause. Six members of the board must
17 be appointed by the participating insurers, two of whom must
18 be from the insurance agents' associations. All board members,
19 including the chair, must be appointed to serve for 2-year
20 terms beginning annually on a date designated by the plan.

21 (f) Must provide that an agent appointed to a
22 servicing carrier must be a licensed general lines agent of an
23 insurer which is authorized to write automobile liability and
24 physical damage insurance in the state and which is actively
25 writing such coverage in the county in which the agent is
26 located, or the immediately adjoining counties, or an agent
27 who places a volume of other property and casualty insurance
28 in an amount equal to the premium volume placed with the
29 Florida Joint Underwriting Association. The office may,
30 however, determine that an agent may be appointed to a
31 servicing carrier if, after public hearing, the office finds

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1 that consumers in the agent's operating area would not have
2 adequate and reasonable access to the purchase of automobile
3 insurance if the agent were not appointed to a servicing
4 carrier.

5 (g) Must make available noncancelable coverage as
6 provided in s. 627.7275(2).

7 (h) Must provide for the furnishing of a list of
8 insureds and their mailing addresses upon the request of a
9 member of the association or an insurance agent licensed to
10 place business with an association member. The list must
11 indicate whether the insured is currently receiving a good
12 driver discount from the association. The plan may charge a
13 reasonable fee to cover the cost incurred in providing the
14 list.

15 (i) Must not provide a renewal credit or discount or
16 any other inducement designed to retain a risk.

17 (j) Must not provide any other good driver credit or
18 discount that is not actuarially sound. In addition to other
19 criteria that the plan may specify, to be eligible for a good
20 driver credit, an insured must not have any criminal traffic
21 violations within the most recent 36-month period preceding
22 the date the discount is received.

23 (k)1. Shall have no liability, and no cause of action
24 of any nature shall arise against any member insurer or its
25 agents or employees, agents or employees of the association,
26 members of the board of governors of the association, the
27 Chief Financial Officer, or the office or its representatives
28 for any action taken by them in the performance of their
29 duties or responsibilities under this subsection. Such
30 immunity does not apply to actions for or arising out of
31 breach of any contract or agreement pertaining to insurance,

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1 or any willful tort.

2 2. Notwithstanding the requirements of s.
 3 624.155(3)(a), as a condition precedent to bringing an action
 4 against the plan under s. 624.155, the department and the plan
 5 must have been given 90 days' written notice of the violation.
 6 If the department returns a notice for lack of specificity,
 7 the 90-day time period shall not begin until a proper notice
 8 is filed. This notice must comply with the information
 9 requirements of s. 624.155(3)(b). Effective October 1, 2007,
 10 this subparagraph shall expire unless reenacted by the
 11 Legislature prior to that date.

12 (1) May require from the insured proof that he or she
 13 has obtained the mandatory types and amounts of insurance from
 14 another admitted carrier prior to the cancellation of a policy
 15 the insured obtained from the plan and prior to the return of
 16 any unearned premium the insured paid for such coverage from
 17 the plan. This paragraph does not apply to any person who
 18 provides proof of sale or inoperability of the vehicle covered
 19 under the policy purchased from the plan or relocation outside
 20 the state.

21 Section 156. Subsection (5) is added to section
 22 627.4091, Florida Statutes, to read:

23 627.4091 Specific reasons for denial, cancellation, or
 24 nonrenewal.--

25 (5) When an insurer refuses to provide private
 26 passenger automobile insurance or personal lines residential
 27 property insurance, including, but not limited to,
 28 homeowner's, mobile home owner's, condominium unit owner's, or
 29 other insurance covering a personal residential structure, to
 30 an applicant due to adverse underwriting information, the
 31 insurer shall:

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1 (a) Provide to the applicant specific information
2 regarding the reasons for the refusal to insure.

3 (b) If the reason for the refusal to insure is based
4 on a loss underwriting history or report from a consumer
5 reporting agency, to the extent applicable identify the loss
6 underwriting history and notify the applicant of his or her
7 right under the federal Fair and Accurate Credit Transactions
8 Act to obtain a copy of the report from the consumer reporting
9 agency.

10 Section 157. Effective upon this act becoming a law,
11 subsections (5) and (6) are added to section 627.4133, Florida
12 Statutes, to read:

13 627.4133 Notice of cancellation, nonrenewal, or
14 renewal premium.--

15 (5) An insurer that cancels a property insurance
16 policy on property secured by a mortgage due to the failure of
17 the lender to timely pay the premium when due shall reinstate
18 the policy as required by s. 501.137.

19 (6) A single claim on a property insurance policy
20 which is the result of water damage may not be used as the
21 sole cause for cancellation or nonrenewal unless the insurer
22 can demonstrate that the insured has failed to take action
23 reasonably requested by the insurer to prevent a future
24 similar occurrence of damage to the insured property.

25 Section 158. Paragraph (h) of subsection (9) of
26 section 627.476, Florida Statutes, is amended to read:

27 627.476 Standard Nonforfeiture Law for Life
28 Insurance.--

29 (9) CALCULATION OF ADJUSTED PREMIUMS AND PRESENT
30 VALUES FOR POLICIES ISSUED AFTER OPERATIVE DATE OF THIS
31 SUBSECTION.--

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1 (h) All adjusted premiums and present values referred
2 to in this section shall for all policies of ordinary
3 insurance be calculated on the basis of the Commissioners'
4 1980 Standard Ordinary Mortality Table or, at the election of
5 the insurer for any one or more specified plans of life
6 insurance, the Commissioners' 1980 Standard Ordinary Mortality
7 Table with Ten-Year Select Mortality Factors; shall for all
8 policies of industrial insurance be calculated on the basis of
9 the Commissioners' 1961 Standard Industrial Mortality Table;
10 and shall for all policies issued in a particular calendar
11 year be calculated on the basis of a rate of interest not
12 exceeding the nonforfeiture interest rate as defined in this
13 subsection for policies issued in that calendar year. However:

14 1. At the option of the insurer, calculations for all
15 policies issued in a particular calendar year may be made on
16 the basis of a rate of interest not exceeding the
17 nonforfeiture interest rate, as defined in this subsection,
18 for policies issued in the immediately preceding calendar
19 year.

20 2. Under any paid-up nonforfeiture benefit, including
21 any paid-up dividend additions, any cash surrender value
22 available, whether or not required by subsection (2), shall be
23 calculated on the basis of the mortality table and rate of
24 interest used in determining the amount of such paid-up
25 nonforfeiture benefit and paid-up dividend additions, if any.

26 3. An insurer may calculate the amount of any
27 guaranteed paid-up nonforfeiture benefit, including any
28 paid-up additions under the policy, on the basis of an
29 interest rate no lower than that specified in the policy for
30 calculating cash surrender values.

31 4. In calculating the present value of any paid-up

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1 term insurance with accompanying pure endowment, if any,
2 offered as a nonforfeiture benefit, the rates of mortality
3 assumed may be not more than those shown in the Commissioners'
4 1980 Extended Term Insurance Table for policies of ordinary
5 insurance and not more than the Commissioners' 1961 Industrial
6 Extended Term Insurance Table for policies of industrial
7 insurance.

8 5. In lieu of the mortality tables specified in this
9 section, at the option of the insurance company and subject to
10 rules adopted by the commission, the insurance company may
11 substitute:

12 a. The 1958 CSO or CET Smoker and Nonsmoker Mortality
13 Tables, whichever is applicable, for policies issued on or
14 after the operative date of this subsection and before January
15 1, 1989;

16 b. The 1980 CSO or CET Smoker and Nonsmoker Mortality
17 Tables, whichever is applicable, for policies issued on or
18 after the operative date of this subsection;

19 c. A mortality table that is a blend of the
20 sex-distinct 1980 CSO or CET mortality table standard,
21 whichever is applicable, or a mortality table that is a blend
22 of the sex-distinct 1980 CSO or CET smoker and nonsmoker
23 mortality table standards, whichever is applicable, for
24 policies that are subject to the United States Supreme Court
25 decision in Arizona Governing Committee v. Norris to prevent
26 unfair discrimination in employment situations.

27 6. Ordinary mortality tables, adopted after 1980 by
28 the National Association of Insurance Commissioners, adopted
29 by rule by the commission for use in determining the minimum
30 nonforfeiture standard may be substituted for the
31 Commissioners' 1980 Standard Ordinary Mortality Table with or

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1 without Ten-Year Select Mortality Factors or for the
2 Commissioners' 1980 Extended Term Insurance Table.

3 7.6. For insurance issued on a substandard basis, the
4 calculation of any such adjusted premiums and present values
5 may be based on appropriate modifications of the
6 aforementioned tables.

7 Section 159. Section 627.7077, Florida Statutes, is
8 created to read:

9 627.7077 Florida Sinkhole Insurance Facility and other
10 matters related to affordability and availability of sinkhole
11 insurance; feasibility study.--

12 (1) The Florida State University College of Business
13 Department of Risk Management and Insurance shall, under the
14 direction of the office, conduct a feasibility and
15 cost-benefit study of a potential Florida Sinkhole Insurance
16 Facility and of other matters related to affordability and
17 availability of sinkhole insurance. The study shall be
18 conducted in consultation with the State Board of
19 Administration and the Florida Geological Survey. The
20 university shall provide a preliminary report of its analysis,
21 findings, and recommendations to the Financial Services
22 Commission and the presiding officers of the Legislature no
23 later than February 1, 2005, and shall provide a final report
24 no later than April 1, 2005.

25 (2) The potential functions of the facility to be
26 analyzed include:

27 (a) Serving as the direct insurer or the reinsurer for
28 all or some sinkhole losses.

29 (b) Providing training, communication, and other
30 educational services to the public, engineers, the
31 construction industry, insurance professionals, or others.

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1 (c) Providing uniform standards for use by insurers in
2 evaluating sinkhole loss claims.

3 (d) Providing consulting services for insurers.

4 (e) Maintaining a public database of all confirmed
5 sinkholes and paid sinkhole loss claims, for use by consumers
6 and by the insurance, building construction, banking, and real
7 estate industries.

8 (3) The feasibility study shall, at a minimum, address
9 the following issues:

10 (a) Where the facility should be housed, including,
11 but not limited to, the options of creating a separate
12 facility or using the Citizens Property Insurance Corporation
13 or the Florida Hurricane Catastrophe Fund.

14 (b) Federal income taxation implications.

15 (c) Funding options and costs associated with
16 operating the facility, including means of funding sinkhole
17 insurance through premiums that are adequate to fund covered
18 losses.

19 (d) Applicability of the experience of similar
20 facilities of other states.

21 (e) Other economic impact considerations pertinent to
22 a facility.

23 (f) Alternative dispute resolution mechanisms.

24 (g) The impact of all present requirements in the
25 Florida Insurance Code on affordability and availability of
26 sinkhole insurance and recommendations to address such
27 impacts.

28 (4) The study shall be funded from a budget of no more
29 than \$300,000, which will be funded by assessments on insurers
30 issuing property insurance in this state. Such assessments
31 shall be collected by the office and shall be prorated among

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1 such insurers according to a formula whereby each insurer
2 shall pay a fraction of such budget, the numerator of which
3 shall be such insurer's direct earned premiums for property
4 insurance in this state and the denominator of which shall be
5 the total direct earned premiums for property insurance in
6 this state for calendar year 2003.

7 Section 160. Section 627.838, Florida Statutes, is
8 amended to read:

9 627.838 Filing and approval of forms; service
10 charges.--

11 (1) No premium finance agreement form or related form
12 shall be used in this state by a premium finance company
13 unless it has been filed with and approved by the office.
14 Every filing shall be made within 30 days of issuance or use.

15 (2) Each premium finance company shall file with the
16 office the service charge and interest rate plan, including
17 all modifications thereto, for informational purposes only.
18 Every filing shall be made within 30 days of its effective
19 date.

20 ~~(3) Each filing shall be accompanied by the filing fee~~
21 ~~specified in s. 627.849.~~

22 Section 161. Paragraph (e) of subsection (1) of
23 section 627.848, Florida Statutes, is amended to read:

24 627.848 Cancellation of insurance contract upon
25 default.--

26 (1) When a premium finance agreement contains a power
27 of attorney or other authority enabling the premium finance
28 company to cancel any insurance contract listed in the
29 agreement, the insurance contract shall not be canceled unless
30 cancellation is in accordance with the following provisions:

31 (e) Whenever a financed ~~an~~ insurance contract is

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1 ~~canceled in accordance with this section, the insurer shall,~~
2 within 30 days of the cancellation date, promptly return the
3 unpaid balance due under the finance contract, up to the gross
4 amount available upon the cancellation of the policy, to the
5 premium finance company and any remaining unearned premium to
6 the agent or the insured, or both, for the benefit of the
7 insured or insureds. The insurer shall, within 30 days of the
8 cancellation date, notify the insured and the agent of the
9 amount of unearned premium returned to the premium finance
10 company and the amount of unearned commission held by the
11 agent. The premium finance company shall, within 15 days after
12 the account has been overpaid, either refund to the insured
13 for the insured's benefit any refund due on his or her account
14 or, if the refund is sent or credited to the agent, return or
15 credit to the agent the amount of the overpayment and notify
16 the insured of the refunded amount. ~~The premium finance~~
17 ~~company within 15 days shall notify the insured and the agent~~
18 ~~of the amount of unearned premium.~~ Within 15 days of receipt
19 of notification from the premium finance company, the agent
20 shall return such amount including any unearned commission to
21 the insured or with the written approval of the insured apply
22 such amount to the purchase of other insurance products
23 regulated by the office. The commission may adopt rules
24 necessary to implement the provisions of this subsection.

25 Section 162. Subsection (1) of section 627.849,
26 Florida Statutes, is amended to read:

27 627.849 Fees.--

28 (1) The office shall collect in advance, and the
29 persons so served shall pay to it in advance, the following
30 fees:

31 (a) Annual license fee.....\$250

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1 (b) Investigation fee.....100
 2 (c) Annual report filing fee.....25
 3 ~~(d) Form filing fee.....10~~

4 Section 163. Analysis of factors affecting premium
 5 levels and availability of personal lines property and
 6 casualty insurance to consumers in Florida.--

7 (1) The Legislative Auditing Committee shall enter
 8 into a contract with the Florida State University College of
 9 Business Department of Risk Management and Insurance to
 10 provide, no later than February 1, 2005, a detailed analysis
 11 of factors affecting costs and potential assessments on
 12 consumers, and availability, of personal lines property and
 13 casualty insurance in Florida generally and in those areas in
 14 which coverage is underwritten by the Citizens Property and
 15 Casualty Insurance Company. The analysis shall include an
 16 evaluation of such factors and recommendations appropriate to
 17 moderate or enhance their impact on premiums potential
 18 assessments and availability of such insurance. Such factors
 19 shall include, but are not limited to:

20 (a) The factors affecting the level of competition and
 21 premium levels specifically, including the impact of rate
 22 regulation and possible rating law reforms, and including
 23 reforms that have succeeded or failed in other states.

24 (b) The cost and benefits of required coverages and of
 25 restrictions on optional coverages that could otherwise be
 26 made available to consumers.

27 (c) Such other information as may be useful to the
 28 Legislature in determining how to increase availability and,
 29 over the short and long term, to moderate costs and potential
 30 consumer assessments.

31 (2) The study shall be funded from a budget of no more

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1 than \$250,000, which shall be funded by assessments on
2 insurers issuing personal lines property and casualty
3 insurance in the state. Such assessments shall be collected by
4 the Office of Insurance Regulation and shall be prorated among
5 such insurers according to a formula whereby each insurer
6 shall pay a fraction of such budget, the numerator of which
7 shall be such insurer's direct earned premiums for personal
8 lines property and casualty insurance in the state and the
9 denominator of which shall be the total direct earned premiums
10 for personal lines property and casualty insurance in the
11 state for calendar year 2003.

12 (3) The Department of Financial Services, the Office
13 of Insurance Regulation, and insurers shall cooperate with the
14 Florida State University College of Business Department of
15 Risk Management and Insurance conducting the analysis and
16 shall provide such information as the Florida State University
17 College of Business Department of Risk Management and
18 Insurance may request in the format requested by the
19 university.

20 Section 164. Section 625.131, Florida Statutes, is
21 repealed.

22 Section 165. Nothing in this act shall be construed to
23 create or be the basis of a civil action. Nothing in this act
24 shall be construed as limiting settlement or adjustment of
25 claims by methods that are otherwise permissible under Florida
26 law.

27 Section 166. Except as otherwise expressly provided in
28 this act and except for this section, which shall take effect
29 upon becoming a law, this act shall take effect July 1, 2004.
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31

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

2 And the title is amended as follows:

3 On page 13, lines 10 and 11, delete the words
4 "providing an effective date."

5

6 and insert:

7 amending s. 20.121, F.S.; requiring the
8 Division of Consumer Services of the Department
9 of Financial Services to designate an employee
10 as primary contact for consumers on issues
11 involving sinkholes; authorizing the department
12 to issue an order of conditional release from a
13 stop-work order if an employer complies with
14 coverage requirements and a penalty payment
15 agreement; amending s. 501.137, F.S.; requiring
16 an insurer to reinstate, under certain
17 circumstances, an insurance policy that is
18 cancelled due to failure of the lender to pay a
19 premium for which sufficient escrow funds are
20 on deposit; requiring that the lender reimburse
21 the property owner for any penalties or fees
22 paid for purposes of reinstating the policy;
23 requiring the lender to pay the increased cost
24 of insurance premiums for a specified period of
25 time under certain conditions; amending s.
26 624.610, F.S.; revising the requirements of a
27 trust fund for a single assuming insurer;
28 amending s. 625.081, F.S.; providing an
29 exception for credit disability insurance from
30 a health insurance active life reserve
31 requirement; amending s. 625.121, F.S.;

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1 providing for valuation of life insurance
2 policies; amending s. 626.321, F.S.; limiting
3 the types of business that may be transacted by
4 personal lines agents; creating s. 626.9743,
5 F.S., relating to claim settlement practices
6 for motor vehicle insurance; prescribing
7 standards to be followed by insurers; creating
8 s. 626.9744, F.S., relating to claim settlement
9 practices for homeowners' insurance;
10 prescribing standards to be followed by
11 insurers; amending s. 627.311, F.S.; allowing
12 the automobile insurance joint underwriting
13 plan to require additional proof from insureds
14 regarding cancellation of coverage; allowing
15 additional time for the investigation of claims
16 against the plan; providing for expiration of
17 the provision; amending s. 627.4091, F.S.;
18 providing additional disclosure requirements
19 with respect to a refusal to insure; amending
20 s. 627.4133, F.S.; requiring property insurers
21 to reinstate a canceled policy as required by
22 s. 501.137, F.S.; restricting the use of
23 certain claims as a cause for cancellation or
24 nonrenewal; amending s. 627.476, F.S.;
25 authorizing the use of certain mortality tables
26 for purposes of the Standard Nonforfeiture Law
27 for Life Insurance; creating s. 627.7077, F.S.;
28 providing for a feasibility study for a
29 proposed Florida Sinkhole Insurance Facility;
30 amending s. 627.838, F.S.; deleting a filing
31 fee; amending s. 627.848, F.S.; specifying

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1 provisions for cancellation of insurance
2 contracts; amending s. 627.849, F.S., to
3 conform to the elimination of a filing fee;
4 providing for a study and report by the Florida
5 State University College of Business on
6 personal lines property and casualty insurance;
7 repealing s. 625.131, F.S., relating to credit
8 life and disability policies; providing for
9 construction of the act; providing effective
10 dates.

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