

HB 0639

2004

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

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

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

12           627.4615 Interest payable on death claim payments.--When a  
 13           policy provides for payment of its proceeds in a lump sum upon  
 14           the death of the insured, the payment must include interest, at  
 15           an annual rate equal to the ~~or~~ greater of:

16           (1) The rate for funds left on deposit or the settlement  
 17           option rate applicable to the policy; or

18           (2) The current, short-term rate of interest under s.  
 19           1274(d) of the Internal Revenue Code of 1986, as amended, than  
 20           ~~the Moody's Corporate Bond Yield Average Monthly Average~~  
 21           ~~Corporate~~ as of the day the claim was received, from the date  
 22           the insurer receives written due proof of death of the insured.  
 23           ~~If the method of calculating such index is substantially changed~~  
 24           ~~from the method of calculation in use on January 1, 1993, the~~  
 25           ~~rate must not be less than 8 percent.~~

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