

1 A bill to be entitled
 2 An act relating to insurance; creating s. 624.6086, F.S.;
 3 defining the term "debt cancellation agreement and debt
 4 suspension agreement contractual liability insurance";
 5 amending ss. 627.553 and 627.679, F.S.; revising certain
 6 limitations on certain amounts of life insurance on a
 7 debtor; providing an effective date.

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

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 11 Section 1. Section 624.6086, Florida Statutes, is created
 12 to read:

13 624.6086 "Debt cancellation agreement and debt suspension
 14 agreement contractual liability insurance" defined.--Debt
 15 cancellation agreement and debt suspension agreement contractual
 16 liability insurance means insurance against the risk of
 17 financial loss from specified contractual events assumed by a
 18 creditor under debt cancellation and debt suspension agreements.

19 Section 2. Subsection (3) of section 627.553, Florida
 20 Statutes, is amended to read:

21 627.553 Debtor groups.--The lives of a group of
 22 individuals may be insured under a policy issued to a creditor
 23 or its parent holding company, or to a trustee or trustees or
 24 agent designated by two or more creditors, which creditor,
 25 holding company, affiliate, trustee or trustees, or agent shall
 26 be deemed the policyholder, to insure debtors of the creditor or
 27 creditors, subject to the following requirements:

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28 (3) The amount of insurance on the life of any debtor
29 shall at no time exceed the amount owed by her or him which is
30 repayable in installments to the creditor ~~or \$50,000, whichever~~
31 ~~is less, except that loans not exceeding 1 year's duration shall~~
32 ~~not be subject to such limits. However, on such loans not~~
33 ~~exceeding 1 year's duration, the limit of coverage shall not~~
34 ~~exceed \$50,000 with any one insurer.~~

35 Section 3. Paragraph (b) of subsection (1) of section
36 627.679, Florida Statutes, is amended to read:

37 627.679 Amount of insurance; disclosure.--

38 (1)

39 (b) The total amount of credit life insurance on the life
40 of any debtor with respect to any loan or loans covered in one
41 or more insurance policies shall at no time exceed the amount of
42 the indebtedness ~~\$50,000 with any one creditor, except that~~
43 ~~loans not exceeding 1 year's duration shall not be subject to~~
44 ~~such limits, and on such loans not exceeding 1 year's duration,~~
45 ~~the limits of coverage shall not exceed \$50,000 with any one~~
46 ~~insurer.~~

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