

CHAMBER ACTION

1 The Commerce Council recommends the following:

2
3 **Council/Committee Substitute**

4 Remove the entire bill and insert:

5 A bill to be entitled

6 An act relating to preinsurance inspection of private
7 passenger motor vehicles; amending s. 627.744, F.S.;
8 providing for a voluntary preinsurance inspection of
9 certain motor vehicles by an insurer; authorizing private
10 passenger motor vehicle insurance companies to require a
11 preinsurance inspection of a motor vehicle as a condition
12 of issuing physical damage coverage; deleting provisions
13 relating to required inspections; providing an effective
14 date.

15
16 Be It Enacted by the Legislature of the State of Florida:

17
18 Section 1. Section 627.744, Florida Statutes, is amended
19 to read:

20 627.744 Voluntary ~~Required~~ preinsurance inspection of
21 private passenger motor vehicles.--

22 (1) A private passenger motor vehicle insurance company
23 may require a preinsurance inspection of any motor vehicle to be

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24 covered by the company as part of the company's fraud prevention
25 program and as a condition of issuance of policy providing
26 physical damage coverage for the motor vehicle, including
27 ~~collision or comprehensive coverage, may not be issued in this~~
28 ~~state unless the insurer has inspected the motor vehicle in~~
29 ~~accordance with this section.~~

30 ~~(2) This section does not apply:~~

31 ~~(a) To a policy for a policyholder who has been insured~~
32 ~~for 2 years or longer, without interruption, under a private~~
33 ~~passenger motor vehicle policy which provides physical damage~~
34 ~~coverage, if the agent of the insurer verifies the previous~~
35 ~~coverage.~~

36 ~~(b) To a new, unused motor vehicle purchased from a~~
37 ~~licensed motor vehicle dealer or leasing company, if the insurer~~
38 ~~is provided with:~~

39 ~~1. A bill of sale or buyer's order which contains a full~~
40 ~~description of the motor vehicle, including all options and~~
41 ~~accessories; or~~

42 ~~2. A copy of the title which establishes transfer of~~
43 ~~ownership from the dealer or leasing company to the customer and~~
44 ~~a copy of the window sticker or the dealer invoice showing the~~
45 ~~itemized options and equipment and the total retail price of the~~
46 ~~vehicle.~~

47
48 ~~For the purposes of this paragraph, the physical damage coverage~~
49 ~~on the motor vehicle may not be suspended during the term of the~~
50 ~~policy due to the applicant's failure to provide the required~~
51 ~~documents. However, payment of a claim is conditioned upon the~~

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52 ~~receipt by the insurer of the required documents, and no~~
53 ~~physical damage loss occurring after the effective date of the~~
54 ~~coverage is payable until the documents are provided to the~~
55 ~~insurer.~~

56 ~~(c) To a temporary substitute motor vehicle.~~

57 ~~(d) To a motor vehicle which is leased for less than 6~~
58 ~~months, if the insurer receives the lease or rental agreement~~
59 ~~containing a description of the leased motor vehicle, including~~
60 ~~its condition. Payment of a physical damage claim is conditioned~~
61 ~~upon receipt of the lease or rental agreement.~~

62 ~~(e) To a vehicle that is 10 years old or older, as~~
63 ~~determined by reference to the model year.~~

64 ~~(f) To any renewal policy.~~

65 ~~(g) To a motor vehicle policy issued in a county with a~~
66 ~~1988 estimated population of less than 500,000.~~

67 ~~(h) To any other vehicle or policy exempted by rule of the~~
68 ~~commission. The commission may base a rule under this paragraph~~
69 ~~only on a determination that the likelihood of a fraudulent~~
70 ~~physical damage claim is remote or that the inspection would~~
71 ~~cause a serious hardship to the insurer or the applicant.~~

72 ~~(i) When the insurer's authorized inspection service has~~
73 ~~no inspection facility either in the municipality in which the~~
74 ~~automobile is principally garaged or within 10 miles of such~~
75 ~~municipality.~~

76 ~~(j) When the insured vehicle is insured under a~~
77 ~~commercially rated policy that insures five or more vehicles.~~

78 ~~(k) When an insurance producer is transferring a book of~~
79 ~~business from one insurer to another.~~

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80 ~~(1) When an individual insured's coverage is being~~
81 ~~transferred and initiated by a producer to a new insurer.~~

82 ~~(3) This subsection does not prohibit an insurer from~~
83 ~~requiring a preinsurance inspection of any motor vehicle as a~~
84 ~~condition of issuance of physical damage coverage.~~

85 ~~(4) The inspection required by this section shall be~~
86 ~~provided by the insurer or by a person or organization~~
87 ~~authorized by the insurer, notwithstanding the Florida Deceptive~~
88 ~~and Unfair Trade Practices Act. The applicant may be required to~~
89 ~~pay the cost of the inspection, not to exceed \$5. The inspection~~
90 ~~shall be recorded on a form prescribed by the commission, and~~
91 ~~the form or a copy shall be retained by the insurer with its~~
92 ~~policy records for the insured. The insurer shall provide a copy~~
93 ~~of the form to the insured upon request. Any inspection fee paid~~
94 ~~directly by the applicant may not be considered part of the~~
95 ~~premium. However, an insurer that provides the inspection at no~~
96 ~~cost to the applicant may include the expense of the inspection~~
97 ~~within a rate filing.~~

98 ~~(5) The inspection shall include at least the following:~~

99 ~~(a) Taking a physical imprint of the vehicle~~
100 ~~identification number of the vehicle or otherwise recording the~~
101 ~~vehicle identification number in a manner prescribed by the~~
102 ~~commission.~~

103 ~~(b) Recording the presence of accessories required by the~~
104 ~~commission to be recorded.~~

105 ~~(c) Recording the locations of and a description of~~
106 ~~existing damage to the vehicle.~~

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107 ~~(6) An insurer may defer an inspection for 30 calendar~~
108 ~~days following the effective date of coverage for a new policy,~~
109 ~~but not for a renewal policy, and for additional or replacement~~
110 ~~vehicles to an existing policy, if an inspection at the time of~~
111 ~~the request for coverage would create a serious inconvenience~~
112 ~~for the applicant and such hardship is documented in the~~
113 ~~insured's policy record.~~

114 (2)(7) The commission may, by rule, establish such
115 procedures and notice requirements that it finds necessary to
116 implement this section.

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