

Bill No. SB 2522

Barcode 141418

CHAMBER ACTION

Senate

House

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31

Comm: RCS  
04/23/2006 01:29 PM

.  
. .  
. .  
. .  
. .  
. .

The Committee on Banking and Insurance (Posey) recommended the following amendment:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause

and insert:

Section 1. Paragraph (r) is added to subsection (1) of section 624.605, Florida Statutes, to read:

624.605 "Casualty insurance" defined.--

(1) "Casualty insurance" includes:

(r)1. Debt collection.--Insurance that a creditor may purchase against the risk of financial loss from the use of debt cancellation products with consumer loans and leases. Debt cancellation products, such as debt cancellation contracts, debt suspension agreements, and guaranteed asset protection contracts, are loan and lease contract terms, or modifications to loan or lease contracts, under which a creditor agrees to cancel or suspend all or part of a customer's obligation to make payments upon the occurrence of specified adverse events.

Bill No. SB 2522

Barcode 141418

1           2. Debt cancellation products may be offered by  
 2 financial institutions, as defined in s. 655.005(1)(h), under  
 3 the same terms and conditions as depository institutions, as  
 4 defined in 12 U.S.C. s. 1813(c), or federal credit unions, as  
 5 defined in 12 U.S.C. s. 1752(1), and such agreements do not  
 6 constitute insurance for purposes of the Florida Insurance  
 7 Code.

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

10           627.553 Debtor groups.--The lives of a group of  
 11 individuals may be insured under a policy issued to a creditor  
 12 or its parent holding company, or to a trustee or trustees or  
 13 agent designated by two or more creditors, which creditor,  
 14 holding company, affiliate, trustee or trustees, or agent  
 15 shall be deemed the policyholder, to insure debtors of the  
 16 creditor or creditors, subject to the following requirements:

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

24           Section 3. Paragraph (b) of subsection (1) of section  
 25 627.679, Florida Statutes, is amended to read:

26           627.679 Amount of insurance; disclosure.--

27           (1)

28           (b) The total amount of credit life insurance on the  
 29 life of any debtor with respect to any loan or loans covered  
 30 in one or more insurance policies shall at no time exceed the  
 31 amount of the indebtedness ~~\$50,000 with any one creditor,~~

Bill No. SB 2522

Barcode 141418

1 ~~except that loans not exceeding 1 year's duration shall not be~~  
 2 ~~subject to such limits, and on such loans not exceeding 1~~  
 3 ~~year's duration, the limits of coverage shall not exceed~~  
 4 ~~\$50,000 with any one insurer.~~

5 Section 4. Subsection (2) of section 627.681, Florida  
 6 Statutes, is amended to read:

7 627.681 Term and evidence of insurance.--

8 (2) The term of credit disability insurance on any  
 9 debtor insured under this section shall not exceed the term of  
 10 indebtedness ~~10 years, and for credit transactions that exceed~~  
 11 ~~60 months, coverage shall not exceed 60 monthly indemnities.~~

12 Section 5. This act shall take effect July 1, 2006.

13  
 14

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

16 And the title is amended as follows:

17 Delete everything before the enacting clause

18

19 and insert:

20 A bill to be entitled  
 21 An act relating to insurance; amending s.  
 22 624.605, F.S.; defining insurance for debt  
 23 cancellation products for purposes of the  
 24 Florida Insurance Code; providing that debt  
 25 cancellation products offered by financial  
 26 institutions do not constitute insurance for  
 27 purposes of the insurance code; amending ss.  
 28 627.553 and 627.679, F.S.; revising limitations  
 29 on certain amounts of life insurance on a  
 30 debtor; amending s. 627.681, F.S.; revising a  
 31 limitation on the term of credit disability

Bill No. SB 2522

Barcode 141418

1 insurance; providing an effective date.

- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31