

CHAMBER ACTION

1 The Commerce Council recommends the following:

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3 **Council/Committee Substitute**

4 Remove the entire bill and insert:

5 A bill to be entitled

6 An act relating to travel-limited life insurance coverage;
7 providing a short title; amending s. 626.9541, F.S.;
8 specifying prohibited activities by insurers for life
9 insurance coverage relating to lawful travel experiences
10 or plans; authorizing the Financial Services Commission to
11 adopt rules and provide certain limited exceptions based
12 on emergency conditions and public policy; requiring
13 market conduct examinations of life insurers to include a
14 review of certain applications; providing for trebling
15 certain administrative fines for certain violations;
16 requiring the Office of Insurance Regulation to report
17 annually to the Legislature; providing report
18 requirements; providing an effective date.

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

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22 Section 1. This act may be cited as the "Freedom to Travel
23 Act."

24 Section 2. Paragraph (dd) is added to subsection (1) of
25 section 626.9541, Florida Statutes, to read:

26 626.9541 Unfair methods of competition and unfair or
27 deceptive acts or practices defined.--

28 (1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE
29 ACTS.--The following are defined as unfair methods of
30 competition and unfair or deceptive acts or practices:

31 (dd) Life insurance limitations based on past foreign
32 travel experiences or future foreign travel plans.--

33 1. An insurer may not refuse life insurance to, refuse to
34 continue the life insurance of, or limit the amount, extent, or
35 kind of life insurance coverage available to an individual based
36 solely on the individual's past lawful foreign travel
37 experiences.

38 2. An insurer may not refuse life insurance to, refuse to
39 continue the life insurance of, or limit the amount, extent, or
40 kind of life insurance coverage available to an individual based
41 solely on the individual's future lawful travel plans unless the
42 insurer can demonstrate and the Office of Insurance Regulation
43 determines that:

44 a. Insureds who travel are a separate actuarially
45 supportable class whose risk of loss is different from those
46 insureds who do not travel; and

47 b. Such risk classification is based upon sound actuarial
48 principles and actual or reasonably anticipated experience that
49 correlates to the risk of travel to a specific destination.

50 3. The commission may adopt rules pursuant to ss.
51 120.536(1) and 120.54 necessary to implement this paragraph and

52 | may provide for limited exceptions that are based upon national
53 | or international emergency conditions that affect the public
54 | health, safety, and welfare and that are consistent with public
55 | policy.

56 | 4. Each market conduct examination of a life insurer
57 | conducted pursuant to s. 624.3161 shall include a review of
58 | every application under which such insurer refused to issue life
59 | insurance, refused to continue life insurance, or limited the
60 | amount, extent, or kind of life insurance issued, based upon
61 | future lawful travel plans.

62 | 5. The administrative fines provided in s. 624.4211(2) and
63 | (3) shall be trebled for violations of this paragraph.

64 | 6. The Office of Insurance Regulation shall report to the
65 | President of the Senate and the Speaker of the House of
66 | Representatives by March 1, 2007, and on the same date annually
67 | thereafter, on the implementation of this paragraph. The report
68 | shall include, but not be limited to, the number of applications
69 | under which life insurance was denied, continuance was refused,
70 | or coverage was limited based on future travel plans, the number
71 | of insurers taking such action, and the reason for taking each
72 | such action.

73 | Section 3. This act shall take effect July 1, 2006.