

HB 915

2006

1 A bill to be entitled

2 An act relating to required preinsurance inspections of
3 private passenger motor vehicles; amending s. 627.744,
4 F.S.; deleting an exception from application to motor
5 vehicle policies issued in certain counties; requiring
6 that insurers have access to inspection information and
7 images; requiring taking color images of a vehicle and the
8 vehicle identification number; providing a definition;
9 providing for suspension of physical damage coverage under
10 certain circumstances; providing requirements of insurers
11 suspending physical damage coverage; requiring return of
12 premium; providing requirements for reinstatement of such
13 coverage; providing an effective date.

14
15 Be It Enacted by the Legislature of the State of Florida:

16
17 Section 1. Section 627.744, Florida Statutes, is amended
18 to read:

19 627.744 Required preinsurance inspection of private
20 passenger motor vehicles.--

21 (1) A private passenger motor vehicle insurance policy
22 providing physical damage coverage, including collision or
23 comprehensive coverage, may not be issued in this state unless
24 the insurer has inspected the motor vehicle in accordance with
25 this section.

26 (2) This section does not apply:

27 (a) To a policy for a policyholder who has been insured
28 for 2 years or longer, without interruption, under a private

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29 passenger motor vehicle policy which provides physical damage
30 coverage, if the agent of the insurer verifies the previous
31 coverage.

32 (b) To a new, unused motor vehicle purchased from a
33 licensed motor vehicle dealer or leasing company, if the insurer
34 is provided with:

35 1. A bill of sale or buyer's order which contains a full
36 description of the motor vehicle, including all options and
37 accessories; or

38 2. A copy of the title which establishes transfer of
39 ownership from the dealer or leasing company to the customer and
40 a copy of the window sticker or the dealer invoice showing the
41 itemized options and equipment and the total retail price of the
42 vehicle.

43
44 For the purposes of this paragraph, the physical damage coverage
45 on the motor vehicle may not be suspended during the term of the
46 policy due to the applicant's failure to provide the required
47 documents. However, payment of a claim is conditioned upon the
48 receipt by the insurer of the required documents, and no
49 physical damage loss occurring after the effective date of the
50 coverage is payable until the documents are provided to the
51 insurer.

52 (c) To a temporary substitute motor vehicle.

53 (d) To a motor vehicle which is leased for less than 6
54 months, if the insurer receives the lease or rental agreement
55 containing a description of the leased motor vehicle, including

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56 its condition. Payment of a physical damage claim is conditioned
57 upon receipt of the lease or rental agreement.

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

60 (f) To any renewal policy.

61 ~~(g) To a motor vehicle policy issued in a county with a
62 1988 estimated population of less than 500,000.~~

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

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

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

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

77 (k)~~(l)~~ When an individual insured's coverage is being
78 transferred and initiated by a producer to a new insurer.

79 (3) This subsection does not prohibit an insurer from
80 requiring a preinsurance inspection of any motor vehicle as a
81 condition of issuance of physical damage coverage.

82 (4) The inspection required by this section shall be
83 provided by the insurer or by a person or organization

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84 authorized by the insurer. The applicant may be required to pay
85 the cost of the inspection, not to exceed \$5. The inspection
86 shall be recorded on a form prescribed by the commission. The
87 insurer shall have direct and timely access via the Internet to
88 the inspection form and the images taken pursuant to subsection
89 (5) or retain, and the form or a copy of the form shall be
90 retained by the insurer with its policy records for the insured.
91 The insurer shall provide a copy of the form to the insured upon
92 request. Any inspection fee paid directly by the applicant may
93 not be considered part of the premium. However, an insurer that
94 provides the inspection at no cost to the applicant may include
95 the expense of the inspection within a rate filing.

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

97 (a) Taking two color images at oblique angles, clearly
98 showing all four sides of the vehicle and any observable prior
99 damage, and taking one color image of the Motor Vehicle Safety
100 Standard label, including a physical imprint of the vehicle
101 identification number of the vehicle or otherwise recording the
102 vehicle identification number in a manner prescribed by the
103 commission. The term "color image" means any acceptable
104 technology producing a clear visual image in color, including,
105 but not limited to, an instant-type photograph, a film
106 photograph, or a digital photograph or other digital imaging
107 process that may be accessed, stored, and retrieved via the
108 Internet.

109 (b) Recording the presence of accessories required by the
110 commission to be recorded.

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111 (c) Recording the locations of and a description of
112 existing damage to the vehicle.

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

120 (7) (a) Notwithstanding subsection (6), the physical damage
121 coverage, including collision and comprehensive, for which
122 preinsurance inspection is required under this section shall be
123 suspended if the preinsurance inspection is not completed within
124 10 business days after the effective date of the coverage.
125 Suspension of coverage shall apply to all insureds, owners, and
126 lienholders.

127 (b) Whenever physical damage coverage, including collision
128 and comprehensive, is suspended, the insurer shall:

129 1. No later than the 30th calendar day after the effective
130 date of the suspension, mail to the insured, the producer of
131 record, and any lienholders of record a notice of suspension of
132 physical damage coverage.

133 2. Obtain a certificate of mailing or other evidence of
134 mailing of the notice of suspension to the insured and shall
135 retain the certificate and copy of the notice with its policy
136 records for the insured.

137 3. Make a pro rata premium adjustment by premium refund or
138 credit whenever there is a suspension of physical damage

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139 coverage for more than 10 days. A refund of premium, if
140 applicable, shall be sent to the insured within 45 days after
141 the effective date of suspension.

142 (c) A reinstatement of physical damage coverage shall be
143 effective only upon inspection and payment by the insured to the
144 insurer of the adjusted premium for the physical damage coverage
145 in full or in accordance with the insurer's normal payment plan.
146 Any such reinstatement shall be effective at the time of
147 inspection.

148 (8)~~(7)~~ The commission may, by rule, establish such
149 procedures and notice requirements that it finds necessary to
150 implement this section.

151 Section 2. This act shall take effect October 1, 2006.