



1           1. For purposes of this paragraph, debt cancellation  
2 products, including, but not limited to, debt cancellation  
3 contracts, debt suspension agreements, and guaranteed asset  
4 protection contracts, are loan, lease, or retail installment  
5 contract terms, or modifications to loan, lease, or retail  
6 installment contracts, under which a creditor agrees to cancel  
7 or suspend all or part of a customer's obligation to make  
8 payments upon the occurrence of specified events.

9           2. Debt cancellation products may be offered by  
10 financial institutions, as defined in s. 655.005(1)(h), and  
11 including insured depository institutions, as defined in 12  
12 U.S.C. s. 1813(c), and subsidiaries of such institutions, as  
13 provided in the financial institution codes, or motor vehicle  
14 retail installment sellers, as defined in s. 520.02(15) or  
15 retail lessors, as defined in s. 521.003(8), and such products  
16 shall not constitute insurance for purposes of the Florida  
17 Insurance Code.

18           Section 2. Paragraph (n) of subsection (1) of section  
19 626.9541, Florida Statutes, is amended to read:

20           626.9541 Unfair methods of competition and unfair or  
21 deceptive acts or practices defined.--

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

25           (n) Free insurance prohibited.--

26           1. Advertising, offering, or providing free insurance  
27 as an inducement to the purchase or sale of real or personal  
28 property or of services directly or indirectly connected with  
29 such real or personal property.

30           2. For the purposes of this paragraph, "free"  
31 insurance is:

1           a. Insurance for which no identifiable and additional  
2 charge is made to the purchaser of such real property,  
3 personal property, or services.

4           b. Insurance for which an identifiable or additional  
5 charge is made in an amount less than the cost of such  
6 insurance as to the seller or other person, other than the  
7 insurer, providing the same.

8           3. Subparagraphs 1. and 2. do not apply to:

9           a. Insurance of, loss of, or damage to the real or  
10 personal property involved in any such sale or services, under  
11 a policy covering the interests therein of the seller or  
12 vendor.

13           b. Blanket disability insurance as defined in s.  
14 627.659.

15           c. Credit life insurance or credit disability  
16 insurance.

17           d. Any individual, isolated, nonrecurring unadvertised  
18 transaction not in the regular course of business.

19           e. Title insurance.

20           f. Any purchase agreement involving the purchase of a  
21 cemetery lot or lots in which, under stated conditions, any  
22 balance due is forgiven upon the death of the purchaser.

23           g. Life insurance, trip cancellation insurance, or  
24 lost baggage insurance offered by a travel agency as part of a  
25 travel package offered by and booked through the agency.

26           h. Insurance covering property, other than real  
27 property or motor vehicles, if the person paying for the  
28 insurance:

29           (I) Has an ongoing contractual interest or other  
30 economic interest in the property; or

31           (II) Requires the property to deliver its services.

1           4. Using the word "free" or words which imply the  
2 provision of insurance without a cost to describe life or  
3 disability insurance, in connection with the advertising or  
4 offering for sale of any kind of goods, merchandise, or  
5 services.

6           Section 3. Section 655.947, Florida Statutes, is  
7 created to read:

8           655.947 Debt cancellation products.--

9           (1) Debt cancellation products, including, but not  
10 limited to, debt cancellation contracts, debt suspension  
11 agreements, and guaranteed asset protection contracts, are  
12 loan or lease contract provisions, or modifications to loan or  
13 lease contracts, under which a creditor agrees to cancel or  
14 suspend all or part of a customer's obligation to make  
15 payments upon the occurrence of specified events. Debt  
16 cancellation products may be offered, and a fee charged, by  
17 financial institutions and their subsidiaries subject to the  
18 provisions of this section. As used in this section, the term  
19 "financial institutions" includes those as defined in s.  
20 655.005(1)(h) and insured depository institutions as defined  
21 in 12 U.S.C. s. 1813(c).

22           (2) The commission shall adopt rules pursuant to ss.  
23 120.536(1) and 120.54 to administer this section, which rules  
24 must be consistent with 12 C.F.R. part 37, as amended.

25           Section 4. Subsection (11) is added to section 520.07,  
26 Florida Statutes, to read:

27           520.07 Requirements and prohibitions as to retail  
28 installment contracts.--

29           (11) The commission shall adopt rules to administer  
30 the sale of debt cancellation products as defined in s.  
31 624.605(1)(r) by motor vehicle retail installment sellers.

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Section 5. This act shall take effect July 1, 2007.