

Bill No. SB 2222

Barcode 212880

CHAMBER ACTION

Senate

House

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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. Subsections (4), (5), and (6) are added to section 627.6043, Florida Statutes, to read:

627.6043 Notification of cancellation, nonrenewal, or change in rates.--

(4) Each policyholder or applicant has the right to designate at least one person, in addition to the insured, who is to receive notice of cancellation or nonrenewal for nonpayment of premium. For policies issued or renewed on or after October 1, 2007, the insurer shall notify the policyholder at least once every 2 years of the policyholder's right to designate a secondary addressee. Designation does not constitute acceptance by the insurer of any liability for the additional parties. The form used for the written designation must provide space clearly designated for listing at least one

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1 person. The designation shall include each person's full name
 2 and home address. Each policyholder or applicant who elects
 3 not to designate a secondary addressee shall execute a waiver.
 4 The waiver remains effective until the policyholder designates
 5 a secondary addressee on an executed form. The waiver must
 6 state: "Protection against unintended lapse.--I understand
 7 that I have the right to designate at least one person other
 8 than myself to receive notice of cancellation or nonrenewal of
 9 this policy due to nonpayment of premium. I understand that
 10 notice will not be given until (...grace period...) days after
 11 a premium is due and unpaid. I elect NOT to designate any
 12 person to receive such notice."

13 (5) Notice of cancellation or nonrenewal due to
 14 nonpayment of premium shall be given by first-class United
 15 States mail, postage prepaid, and notice may not be given
 16 until the end of the grace period for late payment of premium,
 17 as required by s. 627.608. Notice shall be deemed given on the
 18 5th day after the date on which it is mailed.

19 (6) If a policy is canceled or nonrenewed due to
 20 nonpayment of premium, the policyholder is entitled to have
 21 the policy reinstated if the policyholder or any secondary
 22 addressee designated pursuant to subsection (4) demonstrates
 23 within not less than 150 days after the date of cancellation
 24 or nonrenewal that the failure to pay the premium when due was
 25 unintentional and due to the cognitive impairment or loss of
 26 functional capacity of the policyholder. Under these
 27 circumstances, reinstatement of the policy is subject to
 28 payment of overdue premiums. As used in this subsection, the
 29 term "cognitive impairment" means a deficiency in a person's
 30 short-term or long-term memory; orientation as to person,
 31 place, and time; deductive or abstract reasoning; or judgment

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1 as it relates to safety awareness. The insurer may require
 2 payment of an interest charge of not more than 8 percent per
 3 year for the number of days elapsing before the payment of the
 4 premium. During this period, the policy remains in effect if
 5 the claimant or the claimant's representative makes a
 6 sufficient demonstration of cognitive impairment. If a claim
 7 is made under the policy during the grace period for late
 8 payment or the 150-day period after the date of cancellation
 9 or nonrenewal and before the overdue premium is paid, the
 10 amount of the premium or premiums plus any applicable interest
 11 as described in this subsection may be deducted from any
 12 settlement under the policy.

13 Section 2. This act shall take effect October 1, 2007.

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

17 And the title is amended as follows:

18 Delete everything before the enacting clause

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20 and insert:

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A bill to be entitled

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An act relating to health insurance policies;

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amending s. 627.6043, F.S.; providing

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policyholders with the right to designate at

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least one secondary addressee to receive a

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notice of cancellation or nonrenewal for

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nonpayment of premium; requiring insurers to

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notify the policyholder of his or her right at

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least once every 2 years; providing for a

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designation form; providing for a waiver of the

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right; requiring the inclusion of specific

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1 language in each waiver; providing requirements
2 for the delivery of a notice of cancellation or
3 nonrenewal; providing for policy reinstatement
4 upon a sufficient demonstration of cognitive
5 impairment or loss of functional capacity;
6 defining the term "cognitive impairment";
7 authorizing insurers to require payment of an
8 interest charge on the overdue unpaid premium;
9 providing for the deduction of unpaid premium
10 plus interest from claim settlements under
11 certain circumstances; providing an effective
12 date.

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