Florida Senate - 2007

By Senator Posey

24-1702-07

1	A bill to be entitled
2	An act relating to health insurance policies;
3	amending s. 627.6043, F.S.; providing
4	policyholders with the right to designate at
5	least one secondary addressee to receive a
6	notice of termination; requiring insurers to
7	notify the policyholder of his or her right at
8	least once every 2 years; providing for a
9	designation form; providing for a waiver of the
10	right; requiring the inclusion of specific
11	language in each waiver; providing requirements
12	for the delivery of a notice of termination;
13	providing for policy reinstatement upon a
14	sufficient demonstration of cognitive
15	impairment or loss of functional capacity;
16	providing guidelines regarding the
17	establishment of cognitive impairment or loss
18	of functional capacity; authorizing insurers to
19	require payment of an interest charge on the
20	overdue unpaid premium; providing for the
21	deduction of unpaid premium plus interest from
22	claim settlements under certain circumstances;
23	providing an effective date.
24	
25	Be It Enacted by the Legislature of the State of Florida:
26	
27	Section 1. Subsections (4) and (5) are added to
28	section 627.6043, Florida Statutes, to read:
29	627.6043 Notification of cancellation, nonrenewal, or
30	change in rates
31	

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CODING: Words stricken are deletions; words <u>underlined</u> are additions.

1	(4) Each policyholder or applicant has the right to
2	designate at least one person, in addition to the insured, who
3	is to receive the notice of termination. For policies issued
4	or renewed on or after October 1, 1996, the insurer shall
5	notify the policyholder at least once every 2 years of the
б	policyholder's right to designate a secondary addressee.
7	Designation does not constitute acceptance by the insurer of
8	any liability for the additional parties. The form used for
9	the written designation must provide space clearly designated
10	for listing at least one person. The designation shall include
11	each person's full name and home address. Each policyholder or
12	applicant who elects not to designate a secondary addressee
13	shall execute a waiver. The waiver must state: "Protection
14	against unintended lapseI understand that I have the right
15	to designate at least one person other than myself to receive
16	notice of lapse or termination of this long-term care or
17	limited benefit insurance policy for nonpayment of premium. I
18	understand that notice will not be given until 30 days after a
19	premium is due and unpaid. I elect NOT to designate any person
20	to receive such notice." Notice shall be given by first-class
21	United States mail, postage prepaid, and notice may not be
22	given until 30 days after a premium is due and unpaid. Notice
23	shall be deemed given on the 5th day after the date on which
24	it is mailed.
25	(5) If a policy is canceled due to nonpayment of
26	premium, the policyholder is entitled to have the policy
27	reinstated if the policyholder or any secondary addressee
28	designated pursuant to subsection (4) demonstrates within not
29	less than 5 months after the date of cancellation that the
30	failure to pay the premium when due was unintentional and due
31	to the cognitive impairment or loss of functional capacity of

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The standard of proof of cognitive impairment or loss of functional capacity may not be more stringent than the benefit eligibility criteria for cognitive impairment or loss of functional capacity contained in the policy or certificate. The insurer may require payment of an interest charge of no more than 8 percent per year for the number of days elapsing before the payment of the premium. During this period, the policy shall remain in effect if the claimant or the claimant's representative makes a sufficient demonstration of cognitive impairment. If a claim is made under the policy during a 180-day period before the overdue premium is paid, the amount of the premium or premiums plus any applicable interest as described in this subsection may be deducted in any settlement under the policy. Section 2. This act shall take effect July 1, 2007. Betor her right at least once every 2 years. Provides of n a designation form. Provides for a wiver of the right to designate. Requires the inclusion of specific alaques in each waiver. Provides for a pulcy delivery of a notice of termination. Provides for policy reinstatement upon a sufficient demonstration of cognitive impairment or loss of functional capacity. Provides guidelines regarding the establishment of cognitive impairment or loss of functional capacity. Provides guidelines regarding the establishment of cognitive impairment or loss of functional capacity. Provides guidelines regarding the establishment of cognitive impairment or loss of functional capacity. Authorizes insurers to require payment of an interest charge on an overdue unpaid premium. Provides for the cognitive impairment or loss of functional capacity.	1	the policyholder. Under these circumstances, policy
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