Bill No. <u>CS for SB 2498</u>

Barcode 763164

| | CHAMBER ACTION <u>Senate</u> <u>House</u> |
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| 3 | Floor: 12/AD/2R |
| 4 | 05/01/2007 03:01 PM . |
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| 11 | Senator Posey moved the following amendment: |
| 12 | |
| 13 | Senate Amendment (with title amendment) |
| 14 | On page 22, after line 31, |
| 15 | |
| 16 | insert: |
| 17 | Section 3. Subsection (2) of section 626.9201, Florida |
| 18 | Statutes, is amended to read: |
| 19 | 626.9201 Notice of cancellation or nonrenewal |
| 20 | (2) An insurer issuing a policy providing coverage for |
| 21 | property, casualty, surety, or marine insurance shall give the |
| 22 | named insured written notice of cancellation or termination |
| 23 | other than nonrenewal at least 45 days prior to the effective |
| 24 | date of the cancellation or termination, including in the |
| 25 | written notice the reason or reasons for the cancellation or |
| 26 | termination, except that: |
| 27 | (a) When cancellation is for nonpayment of premium, at |
| 28 | least 10 days' written notice of cancellation accompanied by |
| 29 | the reason therefor shall be given. As used in this paragraph, |
| 30 | the term "nonpayment of premium" means the failure of the |
| 31 | named insured to discharge when due any of his or her 1 |
| | 7:36 PM 04/26/07 s2498clc-24-t01 |

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SENATOR AMENDMENT

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| 1 | obligations in connection with the payment of premiums on a |
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| 2 | policy or an installment of such a premium, whether the |
| 3 | premium or installment is payable directly to the insurer or |
| 4 | its agent or indirectly under any plan for financing premiums |
| 5 | or extension of credit or the failure of the named insured to |
| б | <u>maintain membership in an organization if such membership is a</u> |
| 7 | condition precedent to insurance coverage. The term also |
| 8 | includes the failure of a financial institution to honor the |
| 9 | check of an applicant for insurance which was delivered to a |
| 10 | licensed agent for payment of a premium, even if the agent |
| 11 | previously delivered or transferred the premium to the |
| 12 | insurer. If a dishonored check represents payment of the |
| 13 | initial premium, the contract, and all contractual obligations |
| 14 | are void ab initio unless the nonpayment is cured within the |
| 15 | earlier of 5 days after actual notice by certified mail is |
| 16 | received by the applicant or 15 days after notice is sent to |
| 17 | the applicant by certified mail or registered mail, and, if |
| 18 | the contract is void, any premium received by the insurer from |
| 19 | a third party shall be refunded to that party in full; and |
| 20 | (b) When such cancellation or termination occurs |
| 21 | during the first 90 days during which the insurance is in |
| 22 | force and the insurance is canceled or terminated for reasons |
| 23 | other than nonpayment, at least 20 days' written notice of |
| 24 | cancellation or termination accompanied by the reason therefor |
| 25 | shall be given except where there has been a material |
| 26 | misstatement or misrepresentation or failure to comply with |
| 27 | the underwriting requirements established by the insurer. |
| 28 | |
| 29 | (Redesignate subsequent sections.) |
| 30 | |
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1 And the title is amended as follows: 2 On page 1, lines 2-14, delete those lines 3 4 5 and insert: б An act relating to insurance; amending s. 7 627.351, F.S.; revising legislative findings to provide a finding that the lack of affordable 8 9 property insurance threatens the public health, 10 safety, and welfare and threatens the economic 11 health of the state; revising provisions for determining eligibility for coverage under 12 13 Citizens Property Insurance Corporation; prohibiting issuance of new certificates of 14 15 authority to certain insurers; requiring rate filings of certain insurers to include certain 16 parent company profits information; amending s. 17 626.9201, F.S.; revising requirements 18 concerning cancellation for nonpayment of 19 premium of policies providing coverage for 20 21 property, casualty, surety, or marine 22 insurance; defining the term "nonpayment of premium"; providing that certain contracts or 23 24 contractual obligations concerning such coverage are void under specified conditions; 25 requiring the refund of certain premiums 26 received by an insurer; providing effective 27 28 dates. 29 30 31 3 04/26/07 s2498c1c-24-t01 7:36 PM