

By Senator Storms

10-01070A-09

20091432__

1 A bill to be entitled
2 An act relating to insurance premiums; amending s.
3 627.902, F.S.; providing that certain provisions of
4 state law do not apply to discounts when the premium
5 for the entire policy term is paid at the inception of
6 the term, as long as such discounts meet specified
7 criteria; prohibiting such discounts from being
8 considered related to or components of premium
9 financing; providing an effective date.

10
11 Be It Enacted by the Legislature of the State of Florida:

12
13 Section 1. Section 627.902, Florida Statutes, is amended to
14 read:

15 627.902 Premium financing by an insurer or subsidiary.—

16 (1) An insurer, a subsidiary of an insurer, or a
17 corporation under substantially the same management or control
18 as an authorized insurer or group of authorized insurers may
19 finance property, casualty, surety, and marine insurance
20 premiums on policies issued or business produced by such insurer
21 or insurers; however, any such insurer, subsidiary, or
22 corporation or group of insurers that charges a total service
23 charge per year or rate of interest which is substantially more
24 than that provided in s. 627.901 shall be subject to part XV of
25 this chapter. Notwithstanding any other provision of law, an
26 insurer, a subsidiary of an insurer, or a corporation under
27 substantially the same management or control as an authorized
28 insurer or group of authorized insurers may charge one-half of
29 the additional charge provided in s. 627.840, and the charges

10-01070A-09

20091432__

30 provided in s. 627.841.

31 (2) Nothing in this part or in part XV disallows or
32 otherwise applies to a discount for those who pay the entire
33 premium for the entire term of a policy at the inception of the
34 term if the discount is found to be actuarially justified by the
35 office and is approved by the office pursuant to the provisions
36 of part I. Such actuarially justified and approved discount
37 shall not be considered a component of or related to premium
38 financing.

39 Section 2. This act shall take effect July 1, 2009.