

1                   A bill to be entitled  
2           An act relating to insurance; amending s. 626.9541, F.S.;  
3           prohibiting construction to prevent a Medicare supplement  
4           insurer from granting a premium credit to insureds under  
5           certain circumstances; creating s. 627.4605, F.S.;  
6           specifying nonapplication of a required notice to a  
7           current insurer of a policy replacement under certain  
8           circumstances; amending s. 627.464, F.S.; providing a  
9           limitation on the resale of certain annuities to third  
10          parties; amending s. 627.552, F.S.; prohibiting the  
11          creating or permitting of certain classes of employees for  
12          group health insurance policy purposes; preserving an  
13          employer's authority to require certain plan participation  
14          as a condition of employment; amending s. 627.5575, F.S.;  
15          revising the limitation on the amount of insurance for  
16          spouses of dependent children of employees of members  
17          under a group life insurance policy; creating s. 627.6011,  
18          F.S.; excluding certain mandatory health benefits from  
19          coverage in certain insurance policies or other  
20          supplemental or limited benefit policies; providing a  
21          definition; amending s. 627.6741, F.S.; specifying absence  
22          of a prohibition against certain Medicare supplement  
23          policy insurers from entering into agreements through a  
24          network with certain facilities; specifying absence of a  
25          requirement to file certain contracts with the Office of  
26          Insurance Regulation; amending s. 627.6745, F.S.;  
27          requiring certain insurers to factor certain deductibles  
28          and premium credits into loss-ratio calculation and policy

29 premiums; amending s. 627.9403, F.S.; revising application  
 30 of provisions to certain policies of insurance; providing  
 31 a definition; amending s. 634.282, F.S.; revising  
 32 provisions relating to refunds of excess premiums or  
 33 charges; providing a declaration of state public policy  
 34 protecting persons from government intrusion relating to  
 35 securing health insurance coverage without penalty;  
 36 prohibiting state residents from being required to obtain  
 37 or maintain a policy of individual health insurance  
 38 coverage; specifying absence of liability for penalty or  
 39 fine for failing to obtain or maintain health insurance  
 40 coverage; authorizing the Attorney General to initiate and  
 41 pursue litigation in federal or state court or  
 42 administrative forum on behalf of certain persons under  
 43 certain circumstances; providing an effective date.

44  
 45 Be It Enacted by the Legislature of the State of Florida:

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 47 Section 1. Subsection (3) is added to section 626.9541,  
 48 Florida Statutes, to read:

49 626.9541 Unfair methods of competition and unfair or  
 50 deceptive acts or practices defined.—

51 (3) INPATIENT FACILITY NETWORK.—This section may not be  
 52 construed to prohibit a Medicare supplement insurer from  
 53 granting a premium credit to insureds for using an in-network  
 54 inpatient facility.

55 Section 2. Section 627.4605, Florida Statutes, is created  
 56 to read:

57 627.4605 Replacement notice.-A notice to a current insurer  
 58 of a replacement of a current life insurance policy is not  
 59 required in a transaction involving:

60 (1) An application to the current insurer that issued the  
 61 current policy or contract when a contractual change or  
 62 conversion privilege is being exercised;

63 (2) A current policy or contract is being replaced by the  
 64 same insurer pursuant to a program filed with and approved by  
 65 the office; or

66 (3) A term conversion privilege is being exercised among  
 67 corporate affiliates.

68 Section 3. Subsection (3) is added to section 627.464,  
 69 Florida Statutes, to read:

70 627.464 Annuity contracts, pure endowment contracts;  
 71 standard provisions.-

72 (3) An annuity purchased, dedicated, or otherwise allocated  
 73 as part of a settlement to satisfy the requirements of 42 U.S.C. s.  
 74 1395y(b) (2) may not be sold to, or commuted by or for, a third  
 75 party unconnected to the settlement.

76 Section 4. Paragraph (a) of subsection (1) of section  
 77 627.552, Florida Statutes, is amended to read:

78 627.552 Employee groups.-Subject to all of the  
 79 requirements of this section, the lives of a group of individual  
 80 employees of an employer may be insured, for the benefit of  
 81 persons other than the employer, under a policy issued to the  
 82 employer or to the trustees of a fund established by an  
 83 employer, which employer or board of trustees is deemed to be  
 84 the policyholder.

85 (1) (a) The employees eligible for insurance under the  
 86 policy shall be all of the employees of the employer, or all of  
 87 any class or classes of employees determined by conditions  
 88 pertaining to their employment; however, a class of employees  
 89 may not be created or permitted that consists solely of  
 90 employees covered under the employer's group health plan. This  
 91 section does not prohibit an employer from requiring  
 92 participation in its group health plan as a condition of  
 93 employment.

94  
 95 This section does not affect the provisions of ss. 112.08-  
 96 112.14.

97 Section 5. Subsection (3) of section 627.5575, Florida  
 98 Statutes, is amended to read:

99 627.5575 Group life insurance for dependents.—Except for a  
 100 policy issued under s. 627.553, a group life insurance policy  
 101 may be extended to insure the employees or members against loss  
 102 due to the deaths of their spouses and dependent children or any  
 103 class or classes thereof, subject to the following:

104 (3) The amounts of insurance for any covered spouse or  
 105 dependent child under the policy may not exceed ~~50 percent of~~  
 106 the amount of insurance for which the employee or member is  
 107 insured.

108 Section 6. Section 627.6011, Florida Statutes, is created  
 109 to read:

110 627.6011 Mandated coverages exclusion.—Mandatory health  
 111 benefits that must be covered by an insurer or health maintenance  
 112 organization in any group or individual medical plans regulated by

113 this chapter are not required to be covered in specified-accident,  
 114 specified-disease, hospital indemnity, limited benefit, disability  
 115 income, Medicare supplement, or long-term care insurance policies,  
 116 or other supplemental or limited benefit policies as described in  
 117 s. 627.6561(5)(b)-(d). For purposes of this section, the term  
 118 "mandatory health benefits" means those benefits set forth in ss.  
 119 627.6401-627.64193, s. 627.65626, ss. 627.65735-627.6579, ss.  
 120 627.6612-627.6619, and ss. 627.668-627.66911, and any cross-  
 121 references to such sections, or any other mandatory treatment or  
 122 health coverages or benefits enacted after January 1, 2010.

123 Section 7. Subsection (6) is added to section 627.6741,  
 124 Florida Statutes, to read:

125 627.6741 Issuance, cancellation, nonrenewal, and  
 126 replacement.—

127 (6) An insurer offering a Medicare supplement policy under  
 128 this part is not prohibited from entering into an agreement  
 129 through a network with inpatient facilities that agree to waive  
 130 the Medicare Part A deductible in whole or in part. An insurer  
 131 is not required to file a copy of the network agreement with,  
 132 and such network agreements are not subject to approval of, the  
 133 office.

134 Section 8. Subsection (8) is added to section 627.6745,  
 135 Florida Statutes, to read:

136 627.6745 Loss ratio standards; public rate hearings.—

137 (8) For an insurer that enters into a network agreement  
 138 pursuant to s. 627.6741(6), the waiver of the Medicare Part A  
 139 deductible and premium credit shall be factored into the  
 140 insurer's loss-ratio calculation and policy premium.

141 Section 9. Section 627.9403, Florida Statutes, is amended  
 142 to read:

143 627.9403 Scope.—The provisions of this part shall apply to  
 144 long-term care insurance policies delivered or issued for  
 145 delivery in this state, and to policies delivered or issued for  
 146 delivery outside this state to the extent provided in s.

147 627.9406, by an insurer, a fraternal benefit society as defined  
 148 in s. 632.601, a health maintenance organization as defined in  
 149 s. 641.19, a prepaid health clinic as defined in s. 641.402, or  
 150 a multiple-employer welfare arrangement as defined in s.

151 624.437. A policy which is advertised, marketed, or offered as a  
 152 long-term care policy and as a Medicare supplement policy shall  
 153 meet the requirements of this part and the requirements of ss.

154 627.671-627.675 and, to the extent of a conflict, be subject to  
 155 the requirement that is more favorable to the policyholder or  
 156 certificateholder. Except as provided with respect to the

157 definition of the term "guaranteed renewable" in this section,  
 158 the provisions of this part shall not apply to a continuing care  
 159 contract issued pursuant to chapter 651 and shall not apply to  
 160 guaranteed renewable policies issued prior to October 1, 1988.

161 With respect to all policies of insurance covered under this part  
 162 whenever issued, the term "guaranteed renewable" means the insured  
 163 has the right to continue the policy in force by the timely payment  
 164 of premiums and the insurer has no unilateral right to make any  
 165 change in any provision of the policy while the insurance is in force  
 166 and cannot decline to renew the policy, except that rates may be  
 167 revised by the insurer on a class basis. The continuation or renewal  
 168 of a guaranteed renewable policy of insurance by the timely payment

169 of required premiums does not constitute making or issuing a new  
 170 policy of insurance for any purpose, including, but not limited to,  
 171 for purposes of incorporating into the policy changes in the rules  
 172 or provisions of law governing insurance policies. Any limited  
 173 benefit policy that limits coverage to care in a nursing home or  
 174 to one or more lower levels of care required or authorized to be  
 175 provided by this part or by commission rule is a type of long-  
 176 term care insurance policy that must meet all requirements of  
 177 this part that apply to long-term care insurance policies,  
 178 except ss. 627.9407(3)(c), (9), (10)(f), and (12) and  
 179 627.94073(2).

180 Section 10. Paragraph (b) of subsection (13) of section  
 181 634.282, Florida Statutes, is amended to read:

182 634.282 Unfair methods of competition and unfair or  
 183 deceptive acts or practices defined.—The following methods,  
 184 acts, or practices are defined as unfair methods of competition  
 185 and unfair or deceptive acts or practices:

186 (13) ILLEGAL DEALINGS IN PREMIUMS; EXCESS OR REDUCED  
 187 CHARGES FOR MOTOR VEHICLE SERVICE AGREEMENTS.—

188 (b) Knowingly collecting as a premium or charge for a  
 189 motor vehicle service agreement any sum in excess of or less  
 190 than the premium or charge applicable to such motor vehicle  
 191 service agreement, in accordance with the applicable  
 192 classifications and rates as filed with the office, and as  
 193 specified in the motor vehicle service agreement. However, a  
 194 violation of this paragraph does not occur if excess premiums or  
 195 charges are refunded to the service agreement holder within 45 days  
 196 after receipt of the agreement by the service agreement company or if

197 the licensed sales representative's commission is reduced by the  
198 amount of any premium undercharge.

199  
200 No provision of this section shall be deemed to prohibit a  
201 service agreement company or a licensed insurer from giving to  
202 service agreement holders, prospective service agreement  
203 holders, and others for the purpose of advertising, any article  
204 of merchandise having a value of not more than \$25.

205 Section 11. (1) It is hereby declared that the public  
206 policy of this state, consistent with our constitutionally  
207 recognized and inalienable rights of liberty, is that every  
208 person within this state is and shall be free from governmental  
209 intrusion in choosing or declining to choose any mode of  
210 securing health insurance coverage without penalty or threat of  
211 penalty.

212 (2) A resident of this state, regardless of whether he or  
213 she has or is eligible for health insurance coverage under any  
214 policy or program provided by or through his or her employer, or  
215 a plan sponsored by the state or the Federal Government, may not  
216 be required to obtain or maintain a policy of individual health  
217 insurance coverage. A person in this state is not liable for any  
218 penalty or fine for failing to obtain or maintain health  
219 insurance coverage.

220 (3) The Attorney General may initiate and shall have  
221 standing to pursue litigation in any federal or state court or  
222 any administrative forum on behalf of one or more persons within  
223 the state whose constitutional rights may be subject to  
224 infringement by an act of Congress, or the implementation of a

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225 | federal legislative program, that relates to or has any impact  
226 | upon the rights or interests of persons as described in this  
227 | section.

228 |       Section 12. This act shall take effect upon becoming a  
229 | law.