



822592

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/27/2011	.	
	.	
	.	
	.	

---

---

The Committee on Rules (Smith) recommended the following:

**Senate Amendment (with title amendment)**

Between lines 669 and 670  
insert:

Section 12. Subsections (4) and (7) of section 627.7295,  
Florida Statutes, are amended to read:

627.7295 Motor vehicle insurance contracts.-

(4) If subsection (7) does not apply, the insurer may  
cancel the policy in accordance with this code except that,  
notwithstanding s. 627.728, an insurer may not cancel a new  
policy or binder during the first 60 days immediately following  
the effective date of the policy or binder for nonpayment of  
premium unless the reason for the cancellation is the issuance



822592

14 of a check for the premium that is dishonored for any reason.

15 (7) Before the effective date of a binder or policy, a  
16 policy of private passenger motor vehicle insurance or a binder  
17 for such a policy may be initially issued in this state only if  
18 the insurer or agent has collected from the insured an amount  
19 equal to 2 months' premium. An insurer, agent, or premium  
20 finance company may not, directly or indirectly, take any action  
21 resulting in the insured having paid from the insured's own  
22 funds an amount less than the 2 months' premium required by this  
23 subsection. This subsection applies without regard to whether  
24 the premium is financed by a premium finance company or ~~is~~ paid  
25 pursuant to a periodic payment plan of an insurer or an  
26 insurance agent.

27 (a) This subsection does not apply if an insured or member  
28 of the insured's family is renewing or replacing a policy or a  
29 binder for such policy written by the same insurer or a member  
30 of the same insurer group.

31 (b) This subsection does not apply to an insurer that  
32 issues private passenger motor vehicle coverage primarily to  
33 active duty or former military personnel or their dependents.

34 (c) This subsection does not apply if all policy payments  
35 are paid pursuant to a payroll deduction plan or an automatic  
36 electronic funds transfer payment plan from the policyholder,  
37 ~~provided that the first policy payment is made by cash,~~  
38 ~~cashier's check, check, or a money order.~~

39 (d) This subsection and subsection (4) do not apply if all  
40 policy payments to an insurer are paid pursuant to an automatic  
41 electronic funds transfer payment plan from an agent, a managing  
42 general agent, or a premium finance company and if the policy



822592

43 includes, at a minimum, personal injury protection pursuant to  
44 ss. 627.730-627.7407 ~~627.730-627.7405~~; motor vehicle property  
45 damage liability pursuant to s. 627.7275; and bodily injury  
46 liability in at least the amount of \$10,000 because of bodily  
47 injury to, or death of, one person in any one accident and in  
48 the amount of \$20,000 because of bodily injury to, or death of,  
49 two or more persons in any one accident.

50 (e) This subsection and subsection (4) do not apply if an  
51 insured has had a policy in effect for at least 6 months, the  
52 insured's agent is terminated by the insurer that issued the  
53 policy, and the insured obtains coverage on the policy's renewal  
54 date with a new company through the terminated agent.

55  
56 Delete lines 720 - 721

57 and insert:

58  
59 of this state.

60  
61  
62 ===== T I T L E A M E N D M E N T =====

63 And the title is amended as follows:

64 Delete line 49

65 and insert:

66 insurance coverage; amending s. 627.7295, F.S.;

67 providing that a binder or policy for motor vehicle

68 insurance is not effective until a certain amount of

69 the premium is paid; creating s. 634.1711, F.S.;