

By the Committee on Banking and Insurance; and Senator Smith

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1 A bill to be entitled
2 An act relating to the renewal of a commercial lines
3 insurance policy; amending s. 627.4133, F.S.;
4 providing that the transfer of a policy to certain
5 other insurers is considered a renewal of the policy
6 rather than a cancellation or nonrenewal; requiring
7 notice of such transfer; specifying which types of
8 policies such transfer provisions apply to; providing
9 an effective date.

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

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13 Section 1. Subsection (8) is added to section 627.4133,
14 Florida Statutes, to read:

15 627.4133 Notice of cancellation, nonrenewal, or renewal
16 premium.—

17 (8) Upon expiration of the policy term, an insurer may
18 transfer a commercial lines policy to another authorized insurer
19 that is a member of the same group or owned by the same holding
20 company as the transferring insurer. The transfer constitutes a
21 renewal of the policy and may not be treated as a cancellation
22 or a nonrenewal of the policy. The insurer must provide notice
23 of its intent to transfer the policy at least 45 days before the
24 effective date of the transfer along with the financial rating
25 of the authorized insurer to which the policy is being
26 transferred. Such notice may be provided in the notice of
27 renewal premium. This subsection does not apply to a policy
28 providing residential property insurance coverage, except for
29 farmowners insurance and commercial general liability policies

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30 providing farm coverage or commercial property policies

31 providing farm coverage.

32 Section 2. This act shall take effect upon becoming a law.