By Senator Bennett

21-00032-12 2012254__

A bill to be entitled

An act relating to motor vehicle personal injury protection insurance; amending s. 316.066, F.S.; revising provisions relating to the contents of written reports of motor vehicle crashes; authorizing the investigation officer to testify at trial or provide an affidavit concerning the content of the reports; amending s. 400.991, F.S.; requiring that an application for licensure as a mobile clinic include a statement regarding insurance fraud; amending s. 627.730, F.S.; conforming a cross-reference; amending s. 627.731, F.S.; conforming provisions to changes made by the act; reordering and amending s. 627.732, F.S.; defining the term "no-fault law"; amending ss. 627.733 and 627.734, F.S.; conforming provisions to changes made by the act; amending s. 627.736, F.S.; conforming provisions to changes made by the act; adding licensed acupuncturists to the list of practitioners authorized to provide, supervise, order, or prescribe services; providing that an insurer's failure to send certain specification or explanation waives other grounds for rejecting an invalid claim; preempting local lien laws with respect to payment of benefits to medical providers; providing that a claimant that violates certain provisions is not entitled to any payment, regardless of whether a portion of the claim may be legitimate; revising the insurer's reimbursement limitation; providing a limit on the amount of reimbursement if the insurance policy

includes a schedule of charges; deleting a provision allowing charges for services provided before a certain date; authorizing the insurer to deny a claim if the provider does not submit a properly completed statement or bill within a certain time; specifying requirements for furnishing the insured with notice of the amount of covered loss; deleting an obsolete provision; requiring the provider to provide copies of the patient log within a certain time if requested by the insurer; providing that failure to maintain a patient log renders the treatment unlawful and noncompensable; revising requirements relating to discovery; requiring that the provider authorize the insurer to conduct a physical review of the treatment location under certain circumstances; authorizing an insurer to contract with a preferred provider; authorizing an insurer to provide a premium discount to an insured who selects a preferred provider; providing that an insured forfeits the premium discount if the insured uses nonemergency services performed by a nonpreferred provider in specified circumstances; authorizing an insurer to use a preferred provider network; revising requirements relating to demand letters in an action for benefits; specifying when a demand letter is defective; deleting obsolete provisions; authorizing a demand letter to be used to request the production of claim documents or other records from the insurer; amending ss. 627.737, 627.7405, and 627.7407, F.S.; conforming provisions to

changes made by the act; amending ss. 324.021, 627.7295, 628.909, and 817.234, F.S.; conforming cross-references; providing an effective date.

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

Section 1. Subsection (1) of section 316.066, Florida Statutes, is amended to read:

316.066 Written reports of crashes.—

(1)(a) A Florida Traffic Crash Report, Long Form, must ~~is required to~~ be completed and submitted to the department within 10 days after ~~completing~~ an investigation is completed by the ~~every~~ law enforcement officer who in the regular course of duty investigates a motor vehicle crash ~~that~~:

1. That resulted in death, ~~or~~ personal injury, or any indication of complaints of pain or discomfort by any of the parties or passengers involved in the crash;~~.~~

2. That involved one or more passengers, other than the drivers of the vehicles, in any of the vehicles involved in the crash;

3.~~2.~~ That involved a violation of s. 316.061(1) or s. 316.193; or

4. In which a vehicle was rendered inoperative to a degree that required a wrecker to remove it from traffic, if the investigating officer determines such action to be appropriate.

(b) In every crash for which a Florida Traffic Crash Report, Long Form, is not required by this section, the law enforcement officer may complete a short-form crash report or provide a driver exchange-of-information form to be completed by

each party involved in the crash. Short-form crash reports prepared by the law enforcement officer shall be maintained by the officer's agency.

(c) The long-form and the short-form report must include:

1. The date, time, and location of the crash.

2. A description of the vehicles involved.

3. The names and addresses of the parties involved, including all drivers and passengers.

4. The identification of all passengers and the vehicle in which he or she was a passenger.

5.~~4.~~ The names and addresses of witnesses.

6.~~5.~~ The name, badge number, and law enforcement agency of the officer investigating the crash.

7.~~6.~~ The names of the insurance companies for the respective parties involved in the crash.

(d)~~(c)~~ Each party to the crash must provide the law enforcement officer with proof of insurance, which must be documented in the crash report. If a law enforcement officer submits a report on the crash, proof of insurance must be provided to the officer by each party involved in the crash. Any party who fails to provide the required information commits a noncriminal traffic infraction, punishable as a nonmoving violation as provided in chapter 318, unless the officer determines that due to injuries or other special circumstances such insurance information cannot be provided immediately. If the person provides the law enforcement agency, within 24 hours after the crash, proof of insurance that was valid at the time of the crash, the law enforcement agency may void the citation.

(e)~~(d)~~ The driver of a vehicle that was in any manner

involved in a crash resulting in damage to any vehicle or other property in an amount of $500 or more which was not investigated by a law enforcement agency, shall, within 10 days after the crash, submit a written report of the crash to the department. The entity receiving the report may require witnesses of the crash to render reports and may require any driver of a vehicle involved in a crash of which a written report must be made to file supplemental written reports if the original report is deemed insufficient by the receiving entity.

~~(e) Short-form crash reports prepared by law enforcement shall be maintained by the law enforcement officer's agency.~~

(f) The investigating law enforcement officer may testify at trial or provide a signed affidavit to confirm or supplement the information included on the long-form or short-form report.

Section 2. Subsection (6) is added to section 400.991, Florida Statutes, to read:

400.991 License requirements; background screenings; prohibitions.—

(6) All forms that constitute part of the application for licensure or exemption from licensure under this part must contain the following statement:

INSURANCE FRAUD NOTICE.—Submitting a false or fraudulent application or other document when applying for licensure as a health care clinic, when seeking an exemption from licensure as a health care clinic, or when demonstrating compliance with part X of chapter 400, Florida Statutes, is a fraudulent insurance act, as defined in s. 626.989 or s. 817.234, Florida

Statutes, subject to investigation by the Division of Insurance Fraud, and is grounds for discipline by the appropriate licensing board of the Department of Health.

Section 3. Section 627.730, Florida Statutes, is amended to read:

627.730 Florida Motor Vehicle No-Fault Law.—Sections 627.730-627.7407 ~~627.730-627.7405~~ may be cited ~~and known~~ as the "Florida Motor Vehicle No-Fault Law."

Section 4. Section 627.731, Florida Statutes, is amended to read:

627.731 Purpose.—The purpose of the no-fault law ~~ss. 627.730-627.7405~~ is to provide for medical, surgical, funeral, and disability insurance benefits without regard to fault, and to require motor vehicle insurance securing such benefits, for motor vehicles required to be registered in this state and, with respect to motor vehicle accidents, a limitation on the right to claim damages for pain, suffering, mental anguish, and inconvenience.

Section 5. Section 627.732, Florida Statutes, is reordered and amended to read:

627.732 Definitions.—As used in the no-fault law ~~ss. 627.730-627.7405~~, the term:

(1) "Broker" means any person not possessing a license under chapter 395, chapter 400, chapter 429, chapter 458, chapter 459, chapter 460, chapter 461, or chapter 641 who charges or receives compensation for any use of medical equipment and is not the 100 percent ~~100-percent~~ owner or the 100 percent ~~100-percent~~ lessee of such equipment. For purposes

of this section, such owner or lessee may be an individual, a corporation, a partnership, or any other entity and any of its 100 percent-owned ~~100-percent-owned~~ affiliates and subsidiaries. For purposes of this subsection, the term "lessee" means a long-term lessee under a capital or operating lease, but does not include a part-time lessee. The term "broker" does not include a hospital or physician management company whose medical equipment is ancillary to the practices managed, a debt collection agency, or an entity that has contracted with the insurer to obtain a discounted rate for such services; or ~~nor does the term include~~ a management company that has contracted to provide general management services for a licensed physician or health care facility and whose compensation is not materially affected by the usage or frequency of usage of medical equipment or an entity that is 100 percent ~~100-percent~~ owned by one or more hospitals or physicians. The term "broker" does not include a person or entity that certifies, upon request of an insurer, that:

(a) It is a clinic licensed under ss. 400.990-400.995;

(b) It is a 100 percent ~~100-percent~~ owner of medical equipment; and

(c) The owner's only part-time lease of medical equipment for personal injury protection patients is on a temporary basis, not to exceed 30 days in a 12-month period, and such lease is solely for the purposes of necessary repair or maintenance of the 100 percent-owned ~~100-percent-owned~~ medical equipment or pending the arrival and installation of the newly purchased or a replacement for the 100 percent-owned ~~100-percent-owned~~ medical equipment, or for patients for whom, because of physical size or

claustrophobia, it is determined by the medical director or clinical director to be medically necessary that the test be performed in medical equipment that is open-style. The leased medical equipment may not ~~cannot~~ be used by patients who are not patients of the registered clinic ~~for medical treatment of services~~. Any person or entity making a false certification under this subsection commits insurance fraud as defined in s. 817.234. However, the 30-day period ~~provided in this paragraph~~ may be extended for an additional 60 days as applicable to magnetic resonance imaging equipment if the owner certifies that the extension otherwise complies with this paragraph.

(8)~~(2)~~ "Medically necessary" refers to a medical service or supply that a prudent physician would provide for the purpose of preventing, diagnosing, or treating an illness, injury, disease, or symptom in a manner that is:

(a) In accordance with generally accepted standards of medical practice;

(b) Clinically appropriate in terms of type, frequency, extent, site, and duration; and

(c) Not primarily for the convenience of the patient, physician, or other health care provider.

(9)~~(3)~~ "Motor vehicle" means a ~~any~~ self-propelled vehicle with four or more wheels which is of a type both designed and required to be licensed for use on the highways of this state, and any trailer or semitrailer designed for use with such vehicle, and includes:

(a) A "private passenger motor vehicle," which is any motor vehicle that ~~which~~ is a sedan, station wagon, or jeep-type vehicle and, if not used primarily for occupational,

professional, or business purposes, a motor vehicle of the pickup, panel, van, camper, or motor home type.

(b) A "commercial motor vehicle," which is any motor vehicle that ~~which~~ is not a private passenger motor vehicle.

The term ~~"motor vehicle"~~ does not include a mobile home or any motor vehicle that ~~which~~ is used in mass transit, other than public school transportation, and designed to transport more than five passengers exclusive of the operator of the motor vehicle and that ~~which~~ is owned by a municipality, a transit authority, or a political subdivision of the state.

(10)~~(4)~~ "Named insured" means a person, usually the owner of a vehicle, identified in a policy by name as the insured under the policy.

(11) "No-fault law" means the Florida Motor Vehicle No-Fault Law codified at ss. 627.730-627.7407.

(12)~~(5)~~ "Owner" means a person who holds the legal title to a motor vehicle; or, if ~~in the event~~ a motor vehicle is the subject of a security agreement or lease with an option to purchase with the debtor or lessee having the right to possession, ~~then~~ the debtor or lessee is ~~shall be~~ deemed the owner for the purposes of the no-fault law ~~ss. 627.730-627.7405~~.

(14)~~(6)~~ "Relative residing in the same household" means a relative of any degree by blood or by marriage who usually makes her or his home in the same family unit, whether or not temporarily living elsewhere.

(2)~~(7)~~ "Certify" means to swear or attest to being true or represented in writing.

(4)~~(8)~~ "Immediate personal supervision," as it relates to

the performance of medical services by nonphysicians not in a hospital, means that an individual licensed to perform the medical service or provide the medical supplies must be present within the confines of the physical structure where the medical services are performed or where the medical supplies are provided such that the licensed individual can respond immediately to any emergencies if needed.

(5) ~~(9)~~ "Incident," with respect to services considered as incident to a physician's professional service, for a physician licensed under chapter 458, chapter 459, chapter 460, or chapter 461, if not furnished in a hospital, means ~~such~~ services that are ~~must be~~ an integral, even if incidental, part of a covered physician's service.

(6) ~~(10)~~ "Knowingly" means that a person, with respect to information, has actual knowledge of the information, ~~;~~ acts in deliberate ignorance of the truth or falsity of the information, ~~;~~ or acts in reckless disregard of the information. ~~,~~ ~~and~~ Proof of specific intent to defraud is not required.

(7) ~~(11)~~ "Lawful" or "lawfully" means in substantial compliance with all relevant applicable criminal, civil, and administrative requirements of state and federal law related to the provision of medical services or treatment.

(3) ~~(12)~~ "Hospital" means a facility that, at the time services or treatment was ~~were~~ rendered, was licensed under chapter 395.

(13) ~~(13)~~ "Properly completed" means providing truthful, substantially complete, and substantially accurate responses ~~as~~ to all material elements of ~~to~~ each applicable request for information or statement by a means that may lawfully be

provided and that complies with this section, or as agreed by the parties.

(16) ~~(14)~~ "Upcoding" means submitting ~~an action that submits~~ a billing code that would result in payment greater in amount than would be paid using a billing code that accurately describes the services performed. The term does not include an otherwise lawful bill by a magnetic resonance imaging facility, which globally combines both technical and professional components, if the amount of the global bill is not more than the components if billed separately; however, payment of such a bill constitutes payment in full for all components of such service.

(15) "Unbundling" means submitting ~~an action that submits~~ a billing code that is properly billed under one billing code, but that has been separated into two or more billing codes~~,~~ and would result in payment greater than the ~~in~~ amount that ~~than~~ would be paid using one billing code.

Section 6. Subsections (3) and (4) of section 627.733, Florida Statutes, are amended to read:

627.733 Required security.—

(3) Such security shall be provided:

(a) By an insurance policy delivered or issued for delivery in this state by an authorized or eligible motor vehicle liability insurer which provides the benefits and exemptions contained under the no-fault law ~~in ss. 627.730-627.7405~~. Any policy of insurance represented or sold as providing the security required hereunder shall be deemed to provide insurance for the payment of the required benefits; or

(b) By any other method authorized by s. 324.031(2), (3),

or (4) and approved by the Department of Highway Safety and Motor Vehicles as affording security equivalent to that afforded by a policy of insurance or by self-insuring as authorized by s. 768.28(16). The person filing such security has ~~shall have~~ all of the obligations and rights of an insurer under the no-fault law ~~ss. 627.730-627.7405~~.

(4) An owner of a motor vehicle with respect to which security is required by this section who fails to have such security in effect at the time of an accident has ~~shall have~~ no immunity from tort liability, but is ~~shall be~~ personally liable for the payment of benefits under s. 627.736. With respect to such benefits, such ~~an~~ owner has ~~shall have~~ all of the rights and obligations of an insurer under the no-fault law ~~ss. 627.730-627.7405~~.

Section 7. Section 627.734, Florida Statutes, is amended to read:

627.734 Proof of security; security requirements; penalties.—

(1) The provisions of chapter 324 which pertain to the method of giving and maintaining proof of financial responsibility and which govern and define a motor vehicle liability policy ~~shall~~ apply to filing and maintaining proof of security required under the no-fault law ~~by ss. 627.730-627.7405~~.

(2) Any person who:

(a) Gives information required in a report or otherwise as provided under the no-fault law ~~for in ss. 627.730-627.7405~~, knowing or having reason to believe that such information is false;

(b) Forges or, without authority, signs any evidence of proof of security; or

(c) Files, or offers for filing, any such evidence of proof, knowing or having reason to believe that it is forged or signed without authority,

commits ~~is guilty of~~ a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

Section 8. Subsections (1), (4), and (5), paragraph (b) of subsection (6), and subsections (8), (9), and (10) of section 627.736, Florida Statutes, are amended to read:

627.736 Required personal injury protection benefits; exclusions; priority; claims.—

(1) REQUIRED BENEFITS.—Every insurance policy complying with the security requirements of s. 627.733 must ~~shall~~ provide personal injury protection to the named insured, relatives residing in the same household, persons operating the insured motor vehicle, passengers in such motor vehicle, and other persons struck by such motor vehicle and suffering bodily injury while not an occupant of a self-propelled vehicle, subject to ~~the provisions of~~ subsection (2) and paragraph (4)(g) ~~(4)(c)~~, to a limit of $10,000 for loss sustained by ~~any~~ such person as a result of bodily injury, sickness, disease, or death arising out of the ownership, maintenance, or use of a motor vehicle as follows:

(a) *Medical benefits.*—Eighty percent of all reasonable expenses, charged pursuant to subsection (5) for medically necessary medical, surgical, X-ray, dental, and rehabilitative services, including prosthetic devices; for~~, and~~ medically

necessary ambulance, hospital, and nursing services; and for reasonable transportation services to such services. However, the medical benefits ~~shall~~ provide reimbursement only for such services and care that are lawfully provided, supervised, ordered, or prescribed by a physician licensed under chapter 458 or chapter 459, a dentist licensed under chapter 466, ~~or~~ a chiropractic physician licensed under chapter 460, or an acupuncturist licensed under chapter 457 pursuant to his or her scope of practice, or that are provided by any of the following ~~persons or entities~~:

1. A hospital or ambulatory surgical center licensed under chapter 395.

2. A person or entity licensed under part III of chapter 401 which ~~ss. 401.2101-401.45 that~~ provides emergency transportation and treatment.

3. An entity wholly owned by one or more physicians licensed under chapter 458 or chapter 459, chiropractic physicians licensed under chapter 460, or dentists licensed under chapter 466 or by such ~~practitioner or~~ practitioners and the spouse, parent, child, or sibling of such ~~that practitioner or those~~ practitioners.

4. An entity wholly owned, directly or indirectly, by a hospital or hospitals.

5. A health care clinic licensed under part X of chapter 400 which ~~ss. 400.990-400.995 that~~ is:

a. A health care clinic that is accredited by the Joint Commission on Accreditation of Healthcare Organizations, the American Osteopathic Association, the Commission on Accreditation of Rehabilitation Facilities, or the Accreditation

Association for Ambulatory Health Care, Inc.; or

b. A health care clinic that:

(I) Has a medical director licensed under chapter 458, chapter 459, or chapter 460;

(II) Has been continuously licensed for more than 3 years or is a publicly traded corporation that issues securities traded on an exchange registered with the United States Securities and Exchange Commission as a national securities exchange; and

(III) Provides at least four of the following medical specialties:

(A) General medicine.

(B) Radiography.

(C) Orthopedic medicine.

(D) Physical medicine.

(E) Physical therapy.

(F) Physical rehabilitation.

(G) Prescribing or dispensing outpatient prescription medication.

(H) Laboratory services.

The Financial Services Commission shall adopt by rule the form that must be used by an insurer and a health care provider specified in subparagraph 3., subparagraph 4., or subparagraph 5. to document that the health care provider meets the criteria of this paragraph, which rule must include a requirement for a sworn statement or affidavit.

(b) *Disability benefits.*—Sixty percent of any loss of gross income and loss of earning capacity per individual from

inability to work proximately caused by the injury sustained by the injured person, plus all expenses reasonably incurred in obtaining from others ordinary and necessary services in lieu of those that, but for the injury, the injured person would have performed without income for the benefit of his or her household. All disability benefits payable under this provision must ~~shall~~ be paid at least ~~not less than~~ every 2 weeks.

(c) *Death benefits.*—Death benefits equal to the lesser of $5,000 or the remainder of unused personal injury protection benefits per individual. The insurer may pay such benefits to the executor or administrator of the deceased, to any of the deceased's relatives by blood, ~~or~~ legal adoption, or ~~connection by~~ marriage, or to any person appearing to the insurer to be equitably entitled thereto.

Only insurers writing motor vehicle liability insurance in this state may provide the required benefits of this section, and ~~no~~ such insurers may not ~~insurer shall~~ require the purchase of any other motor vehicle coverage other than the purchase of property damage liability coverage as required by s. 627.7275 as a condition for providing such ~~required~~ benefits. Insurers may not require that property damage liability insurance in an amount greater than $10,000 be purchased in conjunction with personal injury protection. Such insurers shall make benefits and required property damage liability insurance coverage available through normal marketing channels. An ~~Any~~ insurer writing motor vehicle liability insurance in this state who fails to comply with such availability requirement as a general business practice violates ~~shall be deemed to have violated~~ part IX of

chapter 626, and such violation constitutes ~~shall constitute~~ an unfair method of competition or an unfair or deceptive act or practice involving the business of insurance. An~~; and any such~~ insurer committing such violation is ~~shall be~~ subject to the penalties afforded in such part, as well as those that are ~~which may be~~ afforded elsewhere in the insurance code.

(4) BENEFITS; WHEN DUE.—Benefits due from an insurer under the no-fault law are ~~ss. 627.730-627.7405 shall be~~ primary, except that benefits received under any workers' compensation law shall be credited against the benefits provided by subsection (1) and are ~~shall be~~ due and payable as loss accrues~~,~~ upon the receipt of reasonable proof of such loss and the amount of expenses and loss incurred which are covered by the policy issued under the no-fault law ~~ss. 627.730-627.7405~~. If ~~When~~ the Agency for Health Care Administration provides, pays, or becomes liable for medical assistance under the Medicaid program related to injury, sickness, disease, or death arising out of the ownership, maintenance, or use of a motor vehicle, the benefits are ~~under ss. 627.730-627.7405 shall be~~ subject to the provisions of the Medicaid program.

(a) An insurer may require written notice to be given as soon as practicable after an accident involving a motor vehicle with respect to which the policy affords the security required by the no-fault law ~~ss. 627.730-627.7405~~.

(b) Personal injury protection insurance benefits paid pursuant to this section are ~~shall be~~ overdue if not paid within 30 days after the insurer is furnished written notice of the fact of a covered loss and of the amount of same. If ~~such~~ written notice is not furnished to the insurer as to the entire

claim, any partial amount supported by written notice is overdue if not paid within 30 days after the ~~such~~ written notice is furnished to the insurer. Any part or all of the remainder of the claim that is subsequently supported by written notice is overdue if not paid within 30 days after ~~such~~ written notice is furnished to the insurer. For the purpose of calculating the extent to which benefits are overdue, payment shall be considered made on the date a draft or other valid instrument that is equivalent to payment is placed in the United States mail in a properly addressed, postpaid envelope, or, if not so posted, on the date of delivery.

(c) If ~~When~~ an insurer pays only a portion of a claim or rejects a claim, the insurer shall provide at the time of the partial payment or rejection an itemized specification of each item that the insurer had reduced, omitted, or declined to pay and any information that the insurer desires the claimant to consider related to the medical necessity of the denied treatment or to explain the reasonableness of the reduced charge, if ~~provided that~~ this does ~~shall~~ not limit the introduction of evidence at trial.~~; and~~ The insurer must ~~shall~~ include the name and address of the person to whom the claimant should respond, ~~and~~ a claim number to be referenced in future correspondence, and a detailed description of the amount paid for each date of service. The insurer's failure to include an itemized specification or explanation of benefits waives other grounds for rejecting an invalid claim.

(d) ~~However,~~ Notwithstanding the fact that written notice has been furnished to the insurer, any payment is ~~shall~~ not ~~be deemed~~ overdue if ~~when~~ the insurer has reasonable proof ~~to~~

~~establish~~ that the insurer is not responsible for ~~the~~ payment. ~~For the purpose of calculating the extent to which any benefits are overdue, payment shall be treated as being made on the date a draft or other valid instrument which is equivalent to payment was placed in the United States mail in a properly addressed, postpaid envelope or, if not so posted, on the date of delivery.~~ This paragraph does not preclude or limit the ability of the insurer to assert that the claim was unrelated, was not medically necessary, or was unreasonable, or that the amount of the charge was in excess of that permitted under, or in violation of, subsection (5). Such assertion by the insurer may be made at any time, including after payment of the claim or after the 30-day ~~time~~ period for payment set forth in ~~this~~ paragraph (b).

(e) ~~(c)~~ Notwithstanding any local lien law, upon receiving notice of an accident that is potentially covered by personal injury protection benefits, the insurer must reserve $5,000 of personal injury protection benefits for payment to physicians licensed under chapter 458 or chapter 459 or dentists licensed under chapter 466 who provide emergency services and care, as defined in s. 395.002~~(9)~~, or who provide hospital inpatient care. The amount required to be held in reserve may be used only to pay claims from such physicians or dentists until 30 days after the date the insurer receives notice of the accident. After the 30-day period, any amount of the reserve for which the insurer has not received notice of such ~~a~~ claim ~~from a physician or dentist who provided emergency services and care or who provided hospital inpatient care~~ may ~~then~~ be used by the insurer to pay other claims. The time periods specified in paragraph (b)

for ~~required~~ payment of personal injury protection benefits are ~~shall be~~ tolled for the period of time that an insurer is required ~~by this paragraph~~ to hold payment of a claim that is not from a physician or dentist who provided emergency services and care or who provided hospital inpatient care to the extent that the personal injury protection benefits not held in reserve are insufficient to pay the claim. This paragraph does not require an insurer to establish a claim reserve for insurance accounting purposes.

(f) ~~(d)~~ All overdue payments ~~shall~~ bear simple interest at the rate established under s. 55.03 or the rate established in the insurance contract, whichever is greater, for the year in which the payment became overdue, calculated from the date the insurer was furnished with written notice of the amount of covered loss. Interest is ~~shall be~~ due at the time payment of the overdue claim is made.

(g) ~~(e)~~ The insurer of the owner of a motor vehicle shall pay personal injury protection benefits for:

1. Accidental bodily injury sustained in this state by the owner while occupying a motor vehicle, or while not an occupant of a self-propelled vehicle if the injury is caused by physical contact with a motor vehicle.

2. Accidental bodily injury sustained outside this state, but within the United States of America or its territories or possessions or Canada, by the owner while occupying the owner's motor vehicle.

3. Accidental bodily injury sustained by a relative of the owner residing in the same household, under the circumstances described in subparagraph 1. or subparagraph 2. if~~, provided~~ the

relative at the time of the accident is domiciled in the owner's household and is not ~~himself or herself~~ the owner of a motor vehicle with respect to which security is required under the no-fault law ~~ss. 627.730-627.7405~~.

4. Accidental bodily injury sustained in this state by any other person while occupying the owner's motor vehicle or, if a resident of this state, while not an occupant of a self-propelled vehicle, if the injury is caused by physical contact with such motor vehicle and if~~, provided~~ the injured person is not ~~himself or herself~~:

a. The owner of a motor vehicle with respect to which security is required under the no-fault law ~~ss. 627.730-627.7405~~; or

b. Entitled to personal injury benefits from the insurer of the owner ~~or owners~~ of such a motor vehicle.

(h)~~(f)~~ If two or more insurers are liable to pay personal injury protection benefits for the same injury to any one person, the maximum payable is ~~shall be~~ as specified in subsection (1), and any insurer paying the benefits is ~~shall be~~ entitled to recover from each of the other insurers an equitable pro rata share of the benefits paid and expenses incurred in processing the claim.

(i)~~(g)~~ It is a violation of the insurance code for an insurer to fail to timely provide benefits as required by this section with such frequency as to constitute a general business practice.

(j)~~(h)~~ Benefits are ~~shall~~ not ~~be~~ due or payable to a claimant who knowingly: ~~or on the behalf of an insured person if that person has~~

1. Submits a fraudulent statement, document, record, or bill;

2. Submits fraudulent information; or

3. Has otherwise committed or attempted to commit a fraudulent insurance act as defined in s. 626.989.

A claimant that violates this paragraph is not entitled to any personal injury protection benefit or payment for any bill and service, regardless of whether a portion of the claim may be legitimate. However, a claimant that does not violate this paragraph may not be denied benefits solely due to a violation by another claimant.

(k) A claimant has violated paragraph (j) ~~committed, by a material act or omission, any insurance fraud relating to personal injury protection coverage under his or her policy,~~ if the fraud is admitted to in a sworn statement ~~by the insured~~ or ~~if it is~~ established in a court of competent jurisdiction. Any insurance fraud voids ~~shall void~~ all coverage arising from the claim related to ~~such fraud under the personal injury protection coverage of~~ the claimant ~~insured person~~ who committed the fraud, irrespective of whether a portion of the insured person's claim may be legitimate, and any benefits paid before ~~prior to~~ the discovery of the ~~insured person's insurance~~ fraud is ~~shall be~~ recoverable in their entirety by the insurer from the claimant ~~person~~ who committed insurance fraud ~~in their entirety~~. The prevailing party is entitled to its costs and attorney's fees in any action in which it prevails in an insurer's action to enforce its right of recovery under this paragraph.

(5) CHARGES FOR TREATMENT OF INJURED PERSONS.—

(a)~~1.~~ Any physician, hospital, clinic, or other person or institution lawfully rendering treatment to an injured person for a bodily injury covered by personal injury protection insurance may charge the insurer and injured party only a reasonable amount pursuant to this section for the services and supplies rendered, and the insurer providing ~~such~~ coverage may pay for such charges directly to the ~~such~~ person or institution lawfully rendering such treatment~~,~~ if the insured receiving such treatment or his or her guardian has countersigned the properly completed invoice, bill, or claim form approved by the office upon which such charges are to be paid for as having actually been rendered, to the best knowledge of the insured or his or her guardian. ~~In no event,~~ However, ~~may~~ such charges may not exceed ~~a charge be in excess of~~ the amount the person or institution customarily charges for like services or supplies. In determining ~~With respect to a determination of~~ whether a charge for a particular service, treatment, or otherwise is reasonable, consideration may be given to evidence of usual and customary charges and payments accepted by the provider involved in the dispute, ~~and~~ reimbursement levels in the community, ~~and~~ various federal and state medical fee schedules applicable to automobile and other insurance coverages, and other information relevant to the reasonableness of the reimbursement for the service, treatment, or supply.

1.~~2.~~ The insurer may limit reimbursement to not less than 80 percent of the following schedule of maximum charges:

a. For emergency transport and treatment by providers licensed under chapter 401, 200 percent of Medicare.

b. For emergency services and care provided by a hospital

licensed under chapter 395, 75 percent of the hospital's usual and customary charges.

c. For emergency services and care as defined by s. 395.002~~(9)~~ provided in a facility licensed under chapter 395 rendered by a physician or dentist, and related hospital inpatient services rendered by a physician or dentist, the usual and customary charges in the community.

d. For hospital inpatient services, other than emergency services and care, 200 percent of the Medicare Part A prospective payment applicable to the specific hospital providing the inpatient services.

e. For hospital outpatient services, other than emergency services and care, 200 percent of the Medicare Part A Ambulatory Payment Classification for the specific hospital providing the outpatient services.

f. For all other medical services, ~~supplies, and care,~~ 200 percent of the allowable amount under the participating physicians schedule of Medicare Part B. For all other supplies and care, including durable medical equipment and care and services rendered by ambulatory surgical centers and clinical laboratories, 200 percent of the allowable amount under Medicare Part B. However, if such services, supplies, or care is not reimbursable under Medicare Part B, the insurer may limit reimbursement to 80 percent of the maximum reimbursable allowance under workers' compensation, as determined under s. 440.13 and rules adopted thereunder which are in effect at the time such services, supplies, or care is provided. Services, supplies, or care that is not reimbursable under Medicare or workers' compensation is not required to be reimbursed by the

insurer.

2.~~3.~~ For purposes of subparagraph 1. ~~2.~~, the applicable fee schedule or payment limitation under Medicare is the fee schedule or payment limitation in effect at the time the services, supplies, or care was rendered and for the area in which such services were rendered, except that it may not be less than the allowable amount under the participating physicians schedule of Medicare Part B for 2007 for medical services, supplies, and care subject to Medicare Part B.

3.~~4.~~ Subparagraph 1. ~~2.~~ does not allow the insurer to apply any limitation on the number of treatments or other utilization limits that apply under Medicare or workers' compensation. An insurer that applies the allowable payment limitations of subparagraph 1. ~~2.~~ must reimburse a provider who lawfully provided care or treatment under the scope of his or her license~~,~~ regardless of whether such provider is ~~would be~~ entitled to reimbursement under Medicare due to restrictions or limitations on the types or discipline of health care providers who may be reimbursed for particular procedures or procedure codes.

4.~~5.~~ If an insurer limits payment as authorized by subparagraph 1. ~~2.~~, the person providing such services, supplies, or care may not bill or attempt to collect from the insured any amount in excess of such limits, except for amounts that are not covered by the insured's personal injury protection coverage due to the coinsurance amount or maximum policy limits.

5. Effective July 1, 2012, an insurer may limit reimbursement pursuant to this paragraph only if the insurance policy includes the schedule of charges specified in this

paragraph.

(b)1. An insurer or insured is not required to pay a claim or charges:

a. Made by a broker or by a person making a claim on behalf of a broker;

b. For any service or treatment that was not lawful at the time rendered;

c. To any person who knowingly submits a false or misleading statement relating to the claim or charges;

d. With respect to a bill or statement that does not substantially meet the ~~applicable~~ requirements of paragraphs (c), ~~paragraph~~ (d), and (e);

e. For any treatment or service that is upcoded, or that is unbundled if ~~when~~ such treatment or services should be bundled, in accordance with paragraph (d). To facilitate prompt payment of lawful services, an insurer may change codes that it determines to have been improperly or incorrectly upcoded or unbundled, and may make payment based on the changed codes, without affecting the right of the provider to dispute the change by the insurer if~~, provided that~~ before doing so, the insurer contacts ~~must contact~~ the health care provider and discusses ~~discuss~~ the reasons for the insurer's change and the health care provider's reason for the coding, or makes ~~make~~ a reasonable good faith effort to do so, as documented in the insurer's file; or ~~and~~

f. For medical services or treatment billed by a physician and not provided in a hospital unless such services are rendered by the physician or are incident to his or her professional services and are included on the physician's bill, including

documentation verifying that the physician is responsible for the medical services that were rendered and billed.

2. The Department of Health, in consultation with the appropriate professional licensing boards, shall adopt, by rule, a list of diagnostic tests deemed not to be medically necessary for use in the treatment of persons sustaining bodily injury covered by personal injury protection benefits under this section. The ~~initial~~ list ~~shall be adopted by January 1, 2004, and~~ shall be revised from time to time as determined by the Department of Health, in consultation with the respective professional licensing boards. Inclusion of a test on the list must ~~of invalid diagnostic tests shall~~ be based on lack of demonstrated medical value and a level of general acceptance by the relevant provider community and may ~~shall~~ not be dependent for results entirely upon subjective patient response. Notwithstanding its inclusion on a fee schedule in this subsection, an insurer or insured is not required to pay any charges or reimburse claims for any invalid diagnostic test as determined by the Department of Health.

(c)~~1.~~ With respect to any treatment or service, other than medical services billed by a hospital or other provider for emergency services as defined in s. 395.002 or inpatient services rendered at a hospital-owned facility, the statement of charges must be furnished to the insurer by the provider and may not include, and the insurer is not required to pay, charges for treatment or services rendered more than 35 days before the postmark date or electronic transmission date of the statement, except for past due amounts previously billed on a timely basis under this paragraph~~, and except that, if the provider submits~~

~~to the insurer a notice of initiation of treatment within 21 days after its first examination or treatment of the claimant, the statement may include charges for treatment or services rendered up to, but not more than, 75 days before the postmark date of the statement~~. The injured party is not liable for, and the provider may ~~shall~~ not bill the injured party for, charges that are unpaid because of the provider's failure to comply with this paragraph. Any agreement requiring the injured person or insured to pay for such charges is unenforceable.

1.~~2.~~ If~~, however,~~ the insured fails to furnish the provider with the correct name and address of the insured's personal injury protection insurer, the provider has 35 days from the date the provider obtains the correct information to furnish the insurer with a statement of the charges. The insurer is not required to pay for such charges unless the provider includes with the statement documentary evidence that was provided by the insured during the 35-day period demonstrating that the provider reasonably relied on erroneous information from the insured and either:

a. A denial letter from the incorrect insurer; or

b. Proof of mailing, which may include an affidavit under penalty of perjury, reflecting timely mailing to the incorrect address or insurer.

2.~~3.~~ For emergency services and care as defined in s. 395.002 rendered in a hospital emergency department or for transport and treatment rendered by an ambulance provider licensed pursuant to part III of chapter 401, the provider is not required to furnish the statement of charges within the time periods established by this paragraph,~~;~~ and the insurer is ~~shall~~

not ~~be~~ considered to have been furnished with notice of the amount of covered loss for purposes of paragraph (4)(b) until it receives a statement complying with paragraph (d), or copy thereof, which specifically identifies the place of service to be a hospital emergency department or an ambulance in accordance with billing standards recognized by the Centers for Medicare and Medicaid Services ~~Health Care Finance Administration~~.

3.~~4.~~ Each notice of the insured's rights under s. 627.7401 must include the following statement in type no smaller than 12 points:

BILLING REQUIREMENTS.—Florida Statutes provide that with respect to any treatment or services, other than certain hospital and emergency services, the statement of charges furnished to the insurer by the provider may not include, and the insurer and the injured party are not required to pay, charges for treatment or services rendered more than 35 days before the postmark date of the statement, except for past due amounts previously billed on a timely basis, and except that, if the provider submits to the insurer a notice of initiation of treatment within 21 days after its first examination or treatment of the claimant, the first billing cycle statement may include charges for treatment or services rendered up to, but not more than, 75 days before the postmark date of the statement.

(d) All statements and bills for medical services rendered

by any physician, hospital, clinic, or other person or institution shall be submitted to the insurer on a properly completed Centers for Medicare and Medicaid Services (CMS) 1500 form, UB 92 forms, or any other standard form approved by the office or adopted by the commission for purposes of this paragraph. All billings for such services rendered by providers must ~~shall~~, to the extent applicable, follow the Physicians' Current Procedural Terminology (CPT) or Healthcare Correct Procedural Coding System (HCPCS), or ICD-9 in effect for the year in which services are rendered and comply with the ~~Centers for Medicare and Medicaid Services (~~CMS~~)~~ 1500 form instructions and the American Medical Association Current Procedural Terminology (CPT) Editorial Panel and Healthcare Correct Procedural Coding System (HCPCS). All providers other than hospitals shall include on the applicable claim form the professional license number of the provider in the line or space provided for "Signature of Physician or Supplier, Including Degrees or Credentials." In determining compliance with applicable CPT and HCPCS coding, guidance shall be provided by the Physicians' Current Procedural Terminology (CPT) or the Healthcare Correct Procedural Coding System (HCPCS) in effect for the year in which services were rendered, the Office of the Inspector General ~~(OIG)~~, Physicians Compliance Guidelines, and other authoritative treatises designated by rule by the Agency for Health Care Administration. A ~~No~~ statement of medical services may not include charges for medical services of a person or entity that performed such services without possessing the valid licenses required to perform such services. For purposes of paragraph (4)(b), an insurer is ~~shall~~ not ~~be~~

considered to have been furnished with notice of the amount of covered loss or medical bills due unless the statements or bills comply with this paragraph, and unless the statements or bills are ~~comply with this paragraph, and unless the statements or bills are~~ properly completed in their entirety as to all material provisions, with all relevant information being provided therein. If an insurer denies a claim within 30 days after receipt due to the provider's failure to submit a substantially completed statement or bill, the insurer shall notify the provider as to the provisions that were improperly completed, and the provider shall have 120 days after the receipt of such notice to submit a substantially completed statement or bill. If the provider fails to comply with this requirement, the insurer is not required to pay for the billed services.

(e)1. At the initial treatment or service provided, each physician, other licensed professional, clinic, or other medical institution providing medical services upon which a claim for personal injury protection benefits is based shall require an insured person, or his or her guardian, to execute a disclosure and acknowledgment form, which reflects at a minimum that:

a. The insured, or his or her guardian, must countersign the form attesting to the fact that the services set forth therein were actually rendered. Listing common medical abbreviations, commonly accepted CPT codes, or other common coding on the disclosure and acknowledgment form satisfies this requirement;

b. The insured, or his or her guardian, has both the right and affirmative duty to confirm that the services were actually

rendered;

c. The insured, or his or her guardian, was not solicited by any person to seek any services from the medical provider;

d. The physician, other licensed professional, clinic, or other medical institution rendering services for which payment is being claimed explained the services to the insured or his or her guardian; and

e. If the insured notifies the insurer in writing of a billing error, the insured may be entitled to a certain percentage of a reduction in the amounts paid by the insured's motor vehicle insurer.

2. The physician, other licensed professional, clinic, or other medical institution rendering services for which payment is being claimed has the affirmative duty to explain the services rendered to the insured, or his or her guardian, so that the insured, or his or her guardian, countersigns the form with informed consent.

3. Countersignature by the insured, or his or her guardian, is not required for the reading of diagnostic tests or other services that are of such a nature that they are not required to be performed in the presence of the insured.

4. The licensed medical professional rendering treatment for which payment is being claimed must sign, by his or her own hand, the form complying with this paragraph.

5. An insurer is not considered to have been furnished with notice of the amount of a covered loss or medical bills unless the original completed disclosure and acknowledgment form is ~~shall be~~ furnished to the insurer pursuant to paragraph (4)(b) and sub-subparagraph 1.a. The disclosure and acknowledgement

form may ~~not~~ be electronically furnished. A disclosure and acknowledgement form that does not substantially meet the minimum requirements of sub-subparagraph 1.a. does not provide an insurer with notice of the amount of a covered loss or medical bills due.

6. This disclosure and acknowledgment form is not required for services billed by a provider for emergency services as defined in s. 395.002, for emergency services and care as defined in s. 395.002 rendered in a hospital emergency department, or for transport and treatment rendered by an ambulance provider licensed pursuant to part III of chapter 401.

7. The Financial Services Commission shall adopt~~,~~ by rule~~,~~ a standard disclosure and acknowledgment form to ~~that shall~~ be used to fulfill the requirements of this paragraph~~, effective 90 days after such form is adopted and becomes final~~. ~~The commission shall adopt a proposed rule by October 1, 2003. Until the rule is final, the provider may use a form of its own which otherwise complies with the requirements of this paragraph.~~

8. As used in this paragraph, the term "countersigned" or "countersignature" means a second or verifying signature, as on a previously signed document, and is not satisfied by the statement "signature on file" or any similar statement.

9. The requirements of this paragraph apply only with respect to the initial treatment or service of the insured by a provider. For subsequent treatments or service, the provider must maintain a patient log signed by the patient, in chronological order by date of service, that is consistent with the services being rendered to the patient as claimed. Listing commonly accepted CPT codes or other common coding on the

patient log satisfies this requirement. The provider must provide copies of the patient log to the insurer within 30 days after receiving a written request from the insurer. Failure to maintain a substantially complete patient log renders the treatment unlawful and noncompensable. The requirements ~~of this subparagraph~~ for maintaining a patient log signed by the patient may be met by a hospital that maintains medical records as required by s. 395.3025 and applicable rules and makes such records available to the insurer upon request.

(f) Upon written notification by any person, an insurer shall investigate any claim of improper billing by a physician or other medical provider. The insurer shall determine if the insured was properly billed for only those services and treatments that the insured actually received. If the insurer determines that the insured has been improperly billed, the insurer shall notify the insured, the person making the written notification, and the provider of its findings and ~~shall~~ reduce the amount of payment to the provider by the amount determined to be improperly billed. If a reduction is made due to a ~~such~~ written notification by any person, the insurer shall pay to the person 20 percent of the amount of the reduction, up to $500. If the provider is arrested due to the improper billing, ~~then~~ the insurer shall pay to the person 40 percent of the amount of the reduction, up to $500.

(g) An insurer may not systematically downcode with the intent to deny reimbursement otherwise due. Such action constitutes a material misrepresentation under s. 626.9541(1)(i)2.

(6) DISCOVERY OF FACTS ABOUT AN INJURED PERSON; DISPUTES.—

(b) Every physician, hospital, clinic, or other medical institution providing, before or after bodily injury upon which a claim for personal injury protection insurance benefits is based, any products, services, or accommodations in relation to that or any other injury, or in relation to a condition claimed to be connected with that or any other injury, shall, if requested to do so by the insurer against whom the claim has been made, allow the insurer or the insurer's representative to conduct an onsite physical review and examination of the treatment location, treatment apparatuses, diagnostic devices, and any other medical equipment used for the services rendered within a reasonable time after the insurer's request, and furnish ~~forthwith~~ a written report of the history, condition, treatment, dates, and costs of such treatment of the injured person and why the items identified by the insurer were reasonable in amount and medically necessary, together with a sworn statement that the treatment or services rendered were reasonable and necessary with respect to the bodily injury sustained and identifying which portion of the expenses for such treatment or services was incurred as a result of such bodily injury, and produce forthwith, and allow ~~permit~~ the inspection and copying of, his or her or its records regarding such history, condition, treatment, dates, and costs of treatment if~~;~~ ~~provided that~~ this does ~~shall~~ not limit the introduction of evidence at trial. Such sworn statement must ~~shall~~ read as follows: "Under penalty of perjury, I declare that I have read the foregoing, and the facts alleged are true, to the best of my knowledge and belief." A ~~No~~ cause of action for violation of the physician-patient privilege or invasion of the right of privacy

may not be brought ~~shall be permitted~~ against any physician, hospital, clinic, or other medical institution complying with ~~the provisions of~~ this section. The person requesting such records and such sworn statement shall pay all reasonable costs connected therewith. If an insurer makes a written request for documentation or information under this paragraph within 30 days after having received notice of the amount of a covered loss under paragraph (4)(a), the amount or the partial amount that ~~which~~ is the subject of the insurer's inquiry is ~~shall become~~ overdue if the insurer does not pay in accordance with paragraph (4)(b) or within 10 days after the insurer's receipt of the requested documentation or information, whichever occurs later. As used in ~~For purposes of~~ this paragraph, the term "receipt" includes, but is not limited to, inspection and copying pursuant to this paragraph. An ~~Any~~ insurer that requests documentation or information pertaining to reasonableness of charges or medical necessity under this paragraph without a reasonable basis for such requests as a general business practice is engaging in an unfair trade practice under the insurance code.

(8) APPLICABILITY OF PROVISION REGULATING ATTORNEY'S FEES.—With respect to any dispute ~~under the provisions of ss. 627.730-627.7405~~ between the insured and the insurer under the no-fault law, or between an assignee of an insured's rights and the insurer, the provisions of s. 627.428 ~~shall~~ apply, except as provided in subsections (10) and (15).

(9) PREFERRED PROVIDERS.—An insurer may negotiate and enter into contracts with preferred ~~licensed health care~~ providers for the benefits described in this section, ~~referred to in this section as "preferred providers,"~~ which include ~~shall include~~

health care providers licensed under chapter 457, chapter ~~chapters~~ 458, chapter 459, chapter 460, chapter 461, or chapter ~~and~~ 463.

(a) The insurer may provide an option to an insured to use a preferred provider at the time of purchase of the policy for personal injury protection benefits~~,~~ if the requirements of this subsection are met. If the insured elects to use a provider who is not a preferred provider, whether the insured purchased a preferred provider policy or a nonpreferred provider policy, the medical benefits provided by the insurer must ~~shall~~ be as required by this section.

(b) If the insured elects the ~~to use a provider who is a~~ preferred provider option, the insurer may pay medical benefits in excess of the benefits required by this section and may waive or lower the amount of any deductible that applies to such medical benefits. As an alternative, or in addition to such benefits, waiver, or reduction, the insurer may provide an actuarially appropriate premium discount as specified in an approved rate filing to an insured who selects the preferred provider option. If the preferred provider option provides a premium discount, the insured forfeits the premium discount effective on the date that the insured elects to use a provider who is not a preferred provider and who renders nonemergency services, unless there is no member of the preferred provider network located within 15 miles of the insured's place of residence whose scope of practice includes the required services, or unless the nonemergency services are rendered in the emergency room of a hospital licensed under chapter 395. ~~If the insurer offers a preferred provider policy to a policyholder~~

~~or applicant, it must also offer a nonpreferred provider policy.~~

(c) The insurer shall provide each insured ~~policyholder~~ with a current roster of preferred providers in the county in which the insured resides at the time of purchasing ~~purchase of~~ such policy, and ~~shall~~ make such list available for public inspection during regular business hours at the insurer's principal office ~~of the insurer~~ within the state. The insurer may contract with a health insurer to use an existing preferred provider network to implement the preferred provider option. All providers and entities that are eligible to receive reimbursement pursuant to paragraph (1)(a) may provide services through a preferred provider network. Any other arrangement is subject to the approval of the Office of Insurance Regulation.

(10) DEMAND LETTER.—

(a) As a condition precedent to filing any action for benefits under this section, the claimant filing suit must provide the insurer ~~must be provided~~ with written notice of an intent to initiate litigation. Such notice may not be sent until the claim is overdue, including any additional time the insurer has to pay the claim pursuant to paragraph (4)(b). A premature demand letter is defective and cannot be cured unless the court first abates the action or the claimant first voluntarily dismisses the action.

(b) The ~~notice~~ required notice must ~~shall~~ state that it is a "demand letter under s. 627.736~~(10)~~" and ~~shall~~ state with specificity:

1. The name of the insured upon which such benefits are being sought, including a copy of the assignment giving rights to the claimant if the claimant is not the insured.

2. The claim number or policy number upon which such claim was originally submitted to the insurer.

3. To the extent applicable, the name of any medical provider who rendered to an insured the treatment, services, accommodations, or supplies that form the basis of such claim; and an itemized statement specifying each exact amount, the date of treatment, service, or accommodation, and the type of benefit claimed to be due. A completed form satisfying the requirements of paragraph (5)(d) or the lost-wage statement previously submitted may be used as the itemized statement. ~~To the extent that the demand involves an insurer's withdrawal of payment under paragraph (7)(a) for future treatment not yet rendered, the claimant shall attach a copy of the insurer's notice withdrawing such payment and an itemized statement of the type, frequency, and duration of future treatment claimed to be reasonable and medically necessary.~~

(c) Each notice required by this subsection must be delivered to the insurer by United States certified or registered mail, return receipt requested. Such postal costs shall be reimbursed by the insurer if ~~so~~ requested by the claimant in the notice~~,~~ when the insurer pays the claim. Such notice must be sent to the person and address specified by the insurer for the purposes of receiving notices under this subsection. Each licensed insurer, whether domestic, foreign, or alien, shall file with the office designation of the name and address of the person to whom notices must ~~pursuant to this subsection shall~~ be sent which the office shall make available on its Internet website. The name and address on file with the office pursuant to s. 624.422 shall be deemed the authorized

representative to accept notice pursuant to this subsection if ~~in the event~~ no other designation has been made.

(d) If, within 30 days after receipt of notice by the insurer, the overdue claim specified in the notice is paid by the insurer together with applicable interest and a penalty of 10 percent of the overdue amount paid by the insurer, subject to a maximum penalty of $250, no action may be brought against the insurer. If ~~the demand involves an insurer's withdrawal of payment under paragraph (7)(a) for future treatment not yet rendered, no action may be brought against the insurer if, within 30 days after its receipt of the notice, the insurer mails to the person filing the notice a written statement of the insurer's agreement to pay for such treatment in accordance with the notice and to pay a penalty of 10 percent, subject to a maximum penalty of $250, when it pays for such future treatment in accordance with the requirements of this section. To the extent~~ the insurer determines not to pay any amount demanded, the penalty is ~~shall~~ not ~~be~~ payable in any subsequent action. For purposes of this subsection, payment or the insurer's agreement is ~~shall be~~ treated as being made on the date a draft or other valid instrument that is equivalent to payment, or the insurer's written statement of agreement, is placed in the United States mail in a properly addressed, postpaid envelope, or if not so posted, on the date of delivery. The insurer is not obligated to pay any attorney's fees if the insurer pays the claim or mails its agreement to pay for future treatment within the time prescribed by this subsection.

(e) The applicable statute of limitation for an action under this section shall be tolled for ~~a period of~~ 30 business

days by the mailing of the notice required by this subsection.

(f) A demand letter that does not substantially meet the minimum requirements set forth in this subsection is defective. A defective demand letter cannot be cured unless the court first abates the action or the claimant first voluntarily dismisses the action.

(g) ~~(f)~~ An ~~Any~~ insurer making a general business practice of not paying valid claims until receipt of the notice required by this subsection is engaging in an unfair trade practice under the insurance code.

(h) A demand letter may be used to request the production of claim documents or other records from the insurer. The insurer's reply must be made within 30 days after receipt of such request.

Section 9. Section 627.737, Florida Statutes, is amended to read:

627.737 Tort exemption; limitation on right to damages; punitive damages.—

(1) Every owner, registrant, operator, or occupant of a motor vehicle with respect to which security has been provided as required under the no-fault law ~~by ss. 627.730-627.7405~~, and every person or organization legally responsible for her or his acts or omissions, is ~~hereby~~ exempted from tort liability for damages because of bodily injury, sickness, or disease arising out of the ownership, operation, maintenance, or use of such motor vehicle in this state to the extent that the benefits described in s. 627.736(1) are payable for such injury, or would be payable but for any exclusion authorized by the no-fault law ~~ss. 627.730-627.7405~~, under any insurance policy or other method

of security complying with the requirements of s. 627.733, or by an owner personally liable under s. 627.733 for the payment of such benefits, unless a person is entitled to maintain an action for pain, suffering, mental anguish, and inconvenience for such injury under ~~the provisions of~~ subsection (2).

(2) In any action of tort brought against the owner, registrant, operator, or occupant of a motor vehicle with respect to which security has been provided as required by the no-fault law ~~ss. 627.730-627.7405~~, or against any person or organization legally responsible for her or his acts or omissions, a plaintiff may recover damages in tort for pain, suffering, mental anguish, and inconvenience because of bodily injury, sickness, or disease arising out of the ownership, maintenance, operation, or use of such motor vehicle only if ~~in the event that~~ the injury or disease consists in whole or in part of:

(a) Significant and permanent loss of an important bodily function.

(b) Permanent injury within a reasonable degree of medical probability, other than scarring or disfigurement.

(c) Significant and permanent scarring or disfigurement.

(d) Death.

(3) If ~~When~~ a defendant, in a proceeding brought pursuant to the no-fault law ~~ss. 627.730-627.7405~~, questions whether the plaintiff has met the requirements of subsection (2), ~~then~~ the defendant may file an appropriate motion with the court, and the court shall, on a one-time basis only, 30 days before the date set for the trial or the pretrial hearing, whichever occurs ~~is~~ first, by examining the pleadings and the evidence before it,

ascertain whether the plaintiff will be able to submit some evidence that the plaintiff will meet the requirements of subsection (2). If the court finds that the plaintiff will not be able to submit such evidence, ~~then~~ the court shall dismiss the plaintiff's claim without prejudice.

(4) In any action brought against an automobile liability insurer for damages in excess of its policy limits, a ~~no~~ claim for punitive damages is not ~~shall be~~ allowed.

Section 10. Section 627.7405, Florida Statutes, is amended to read:

627.7405 Insurers' right of reimbursement.—Notwithstanding any other provisions of the no-fault law ~~ss. 627.730-627.7405~~, any insurer providing personal injury protection benefits on a private passenger motor vehicle ~~shall have~~, to the extent of any personal injury protection benefits paid to any person as a benefit arising out of such private passenger motor vehicle insurance, has a right of reimbursement against the owner or the insurer of the owner of a commercial motor vehicle~~,~~ if the benefits paid result from such person having been an occupant of the commercial motor vehicle or having been struck by the commercial motor vehicle while not an occupant of any self-propelled vehicle.

Section 11. Subsection (1) of section 627.7407, Florida Statutes, is amended to read:

627.7407 Application of the Florida Motor Vehicle No-Fault Law.—

(1) Any person subject to the requirements of ~~ss. 627.730-627.7405,~~ the Florida Motor Vehicle No-Fault Law, as revived and amended by chapter 2007-324, Laws of Florida ~~this act~~, must

maintain security for personal injury protection as required by the ~~Florida Motor Vehicle~~ no-fault law, as revived and amended by this act, beginning on January 1, 2008.

Section 12. Subsection (1) of section 324.021, Florida Statutes, is amended to read:

324.021 Definitions; minimum insurance required.—The following words and phrases when used in this chapter shall, for the purpose of this chapter, have the meanings respectively ascribed to them in this section, except in those instances where the context clearly indicates a different meaning:

(1) MOTOR VEHICLE.—Every self-propelled vehicle that ~~which~~ is designed and required to be licensed for use upon a highway, including trailers and semitrailers designed for use with such vehicles, except traction engines, road rollers, farm tractors, power shovels, and well drillers, and every vehicle that ~~which~~ is propelled by electric power obtained from overhead wires but not operated upon rails, but not including any bicycle or moped. However, the term does ~~"motor vehicle" shall~~ not include a ~~any~~ motor vehicle as defined in s. 627.732 if ~~s. 627.732(3) when~~ the owner of such vehicle has complied with the Florida Motor Vehicle No-Fault Law ~~requirements of ss. 627.730-627.7405, inclusive~~, unless the provisions of s. 324.051 apply; and, in such case, the applicable proof of insurance provisions of s. 320.02 apply.

Section 13. Subsection (7) of section 627.7295, Florida Statutes, is amended to read:

627.7295 Motor vehicle insurance contracts.—

(7) A policy of private passenger motor vehicle insurance or a binder for such a policy may be initially issued in this

state only if, before the effective date of such binder or policy, the insurer or agent has collected from the insured an amount equal to 2 months' premium. An insurer, agent, or premium finance company may not, directly or indirectly, take any action resulting in the insured having paid from the insured's own funds an amount less than the 2 months' premium ~~required by this subsection~~.

(a) This subsection applies without regard to whether the premium is financed by a premium finance company or is paid pursuant to a periodic payment plan of an insurer or an insurance agent.

(b) This subsection does not apply:

1. If an insured or member of the insured's family is renewing or replacing a policy or a binder for such policy written by the same insurer or a member of the same insurer group; ~~.~~

2. ~~This subsection does not apply~~ To an insurer that issues private passenger motor vehicle coverage primarily to active duty or former military personnel or their dependents; or ~~.~~

3. ~~This subsection does not apply~~ If all policy payments are paid pursuant to a payroll deduction plan or an automatic electronic funds transfer payment plan from the policyholder.

(c) This subsection and subsection (4) do not apply if:

1. All policy payments to an insurer are paid pursuant to an automatic electronic funds transfer payment plan from an agent, a managing general agent, or a premium finance company and if the policy includes, at a minimum, personal injury protection pursuant to the Florida Motor Vehicle No-Fault Law ~~ss. 627.730-627.7405~~; motor vehicle property damage liability

pursuant to s. 627.7275; and bodily injury liability in at least the amount of $10,000 because of bodily injury to, or death of, one person in any one accident and in the amount of $20,000 because of bodily injury to, or death of, two or more persons in any one accident; or.

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

Section 14. Paragraph (d) of subsection (3) of section 628.909, Florida Statutes, is amended to read:

628.909 Applicability of other laws.—

(3) The following provisions of the Florida Insurance Code shall apply to industrial insured captive insurers to the extent that such provisions are not inconsistent with this part:

(d) Sections 627.730-627.7407 if ~~627.730-627.7405 when~~ no-fault coverage is provided.

Section 15. Paragraph (c) of subsection (7) of section 817.234, Florida Statutes, is amended to read:

817.234 False and fraudulent insurance claims.—

(7)

(c) An insurer, or any person acting at the direction of or on behalf of an insurer, may not change an opinion in a mental or physical report prepared under s. 627.736(7) ~~627.736(8)~~ or direct the physician preparing the report to change such opinion; however, this provision does not preclude the insurer from calling to the attention of the physician errors of fact in the report based upon information in the claim file. Any person

who violates this paragraph commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

Section 16. This act shall take effect July 1, 2012.