

By Senator Montford

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1                   A bill to be entitled  
2       An act relating to motor vehicle insurance; amending  
3       s. 627.727, F.S.; authorizing insurers to  
4       electronically provide a form to reject, or select  
5       lower coverage amounts of, uninsured motorist vehicle  
6       coverage to an insurance applicant; authorizing the  
7       applicant to sign the form electronically; amending s.  
8       627.736, F.S.; revising the period during which the  
9       applicable fee schedule or payment limitation under  
10      Medicare applies with respect to certain personal  
11      injury protection insurance coverage; deleting an  
12      obsolete date; amending s. 627.744, F.S.; revising the  
13      exemption from the preinsurance inspection  
14      requirements for private passenger motor vehicles to  
15      include certain leased vehicles; revising the list of  
16      documents that an insurer may require for purposes of  
17      the exemption; prohibiting the physical damage  
18      coverage on a motor vehicle from being suspended  
19      during the term of a policy due to the insurer's  
20      option not to require certain documents; authorizing a  
21      payment of a claim to be conditioned if the insurer  
22      requires a document under certain circumstances;  
23      providing an effective date.

24  
25   Be It Enacted by the Legislature of the State of Florida:

26  
27       Section 1. Subsection (1) of section 627.727, Florida  
28       Statutes, is amended to read:

29       627.727 Motor vehicle insurance; uninsured and underinsured

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30 vehicle coverage; insolvent insurer protection.-

31 (1) A ~~No~~ motor vehicle liability insurance policy that  
32 ~~which~~ provides bodily injury liability coverage may not shall be  
33 delivered or issued for delivery in this state with respect to a  
34 ~~any~~ specifically insured or identified motor vehicle registered  
35 or principally garaged in this state unless uninsured motor  
36 vehicle coverage is provided therein or supplemental thereto for  
37 the protection of persons insured by the policy thereunder who  
38 are legally entitled to recover damages from owners or operators  
39 of uninsured motor vehicles because of bodily injury, sickness,  
40 or disease, including death, resulting therefrom. However, the  
41 coverage required under this section is not applicable if when,  
42 ~~or to the extent that,~~ an insured named in the policy makes a  
43 written rejection of the coverage on behalf of all insureds  
44 under the policy. If when a motor vehicle is leased for a period  
45 of 1 year or longer and the lessor of the such vehicle, by the  
46 terms of the lease contract, provides liability coverage on the  
47 leased vehicle, the lessee of the such vehicle has shall have  
48 the sole privilege to reject uninsured motorist coverage or to  
49 select lower limits than the bodily injury liability limits,  
50 regardless of whether the lessor is qualified as a self-insurer  
51 pursuant to s. 324.171. Unless an insured, or lessee having the  
52 privilege of rejecting uninsured motorist coverage, requests  
53 such coverage or requests higher uninsured motorist limits in  
54 writing, the coverage or the such higher uninsured motorist  
55 limits are need not required to be provided in or supplemental  
56 to any other policy that which renews, extends, changes,  
57 supersedes, or replaces an existing policy with the same bodily  
58 injury liability limits when an insured or lessee had rejected

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59 the coverage. ~~If~~ When an insured or lessee ~~has~~ initially  
60 selected limits of uninsured motorist coverage lower than her or  
61 his bodily injury liability limits, higher limits of uninsured  
62 motorist coverage are ~~need~~ not required to be provided in or  
63 supplemental to any other policy that ~~which~~ renews, extends,  
64 changes, supersedes, or replaces an existing policy with the  
65 same bodily injury liability limits unless an insured requests  
66 higher uninsured motorist coverage in writing. The rejection or  
67 selection of lower limits must ~~shall~~ be made on a form approved  
68 by the office. The form must ~~shall~~ fully advise the applicant of  
69 the nature of the coverage and must ~~shall~~ state that the  
70 coverage is equal to bodily injury liability limits unless lower  
71 limits are requested or the coverage is rejected. The heading of  
72 the form shall be in 12-point bold type and shall state: "You  
73 are electing not to purchase certain valuable coverage which  
74 protects you and your family or you are purchasing uninsured  
75 motorist limits less than your bodily injury liability limits  
76 when you sign this form. Please read carefully." If this form is  
77 signed by a named insured, it will be conclusively presumed that  
78 there was an informed, knowing rejection of coverage or election  
79 of lower limits on behalf of all insureds. The form may be  
80 provided electronically to and may be signed electronically by  
81 the applicant. The requirement for 12-point bold type does not  
82 apply to a form that is provided electronically; however, the  
83 type for the heading of the form must be larger than the type  
84 used for the surrounding text. The insurer must ~~shall~~ notify the  
85 named insured at least annually of her or his options as to the  
86 coverage required by this section. Such notice must ~~shall~~ be  
87 part of, and attached to, the notice of premium, must ~~shall~~

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88 provide for a means to allow the insured to request such  
89 coverage, and must ~~shall~~ be given in a manner approved by the  
90 office. Receipt of this notice does not constitute an  
91 affirmative waiver of the insured's right to uninsured motorist  
92 coverage where the insured has not signed a selection or  
93 rejection form. The coverage described under this section must  
94 ~~shall~~ be over and above, but may ~~shall~~ not duplicate, the  
95 benefits available to an insured under any workers' compensation  
96 law, personal injury protection benefits, disability benefits  
97 law, or similar law; under any automobile medical expense  
98 coverage; under any motor vehicle liability insurance coverage;  
99 or from the owner or operator of the uninsured motor vehicle or  
100 any other person or organization jointly or severally liable  
101 together with such owner or operator for the accident; and such  
102 coverage must ~~shall~~ cover the difference, if any, between the  
103 sum of such benefits and the damages sustained, up to the  
104 maximum amount of such coverage provided under this section. The  
105 amount of coverage available under this section may ~~shall~~ not be  
106 reduced by a setoff against any coverage, including liability  
107 insurance. Such coverage may ~~shall~~ not inure directly or  
108 indirectly to the benefit of a ~~any~~ workers' compensation or  
109 disability benefits carrier or a ~~any~~ person or organization  
110 qualifying as a self-insurer under a ~~any~~ workers' compensation  
111 or disability benefits law or similar law.

112 Section 2. Paragraph (a) of subsection (5) of section  
113 627.736, Florida Statutes, is amended to read:

114 627.736 Required personal injury protection benefits;  
115 exclusions; priority; claims.—

116 (5) CHARGES FOR TREATMENT OF INJURED PERSONS.—

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117 (a) A physician, hospital, clinic, or other person or  
118 institution lawfully rendering treatment to an injured person  
119 for a bodily injury covered by personal injury protection  
120 insurance may charge the insurer and injured party only a  
121 reasonable amount pursuant to this section for the services and  
122 supplies rendered, and the insurer providing such coverage may  
123 pay for such charges directly to such person or institution  
124 lawfully rendering such treatment if the insured receiving such  
125 treatment or his or her guardian has countersigned the properly  
126 completed invoice, bill, or claim form approved by the office  
127 upon which such charges are to be paid for as having actually  
128 been rendered, to the best knowledge of the insured or his or  
129 her guardian. However, such a charge may not exceed the amount  
130 the person or institution customarily charges for like services  
131 or supplies. In determining whether a charge for a particular  
132 service, treatment, or otherwise is reasonable, consideration  
133 may be given to evidence of usual and customary charges and  
134 payments accepted by the provider involved in the dispute,  
135 reimbursement levels in the community and various federal and  
136 state medical fee schedules applicable to motor vehicle and  
137 other insurance coverages, and other information relevant to the  
138 reasonableness of the reimbursement for the service, treatment,  
139 or supply.

140 1. The insurer may limit reimbursement to 80 percent of the  
141 following schedule of maximum charges:

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

144 b. For emergency services and care provided by a hospital  
145 licensed under chapter 395, 75 percent of the hospital's usual

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146 and customary charges.

147 c. For emergency services and care as defined by s. 395.002  
148 provided in a facility licensed under chapter 395 rendered by a  
149 physician or dentist, and related hospital inpatient services  
150 rendered by a physician or dentist, the usual and customary  
151 charges in the community.

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

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

160 f. For all other medical services, supplies, and care, 200  
161 percent of the allowable amount under:

162 (I) The participating physicians fee schedule of Medicare  
163 Part B, except as provided in sub-sub-subparagraphs (II) and  
164 (III).

165 (II) Medicare Part B, in the case of services, supplies,  
166 and care provided by ambulatory surgical centers and clinical  
167 laboratories.

168 (III) The Durable Medical Equipment Prosthetics/Orthotics  
169 and Supplies fee schedule of Medicare Part B, in the case of  
170 durable medical equipment.

171  
172 However, if such services, supplies, or care is not reimbursable  
173 under Medicare Part B, as provided in this sub-subparagraph, the  
174 insurer may limit reimbursement to 80 percent of the maximum

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175 reimbursable allowance under workers' compensation, as  
176 determined under s. 440.13 and rules adopted thereunder which  
177 are in effect at the time such services, supplies, or care is  
178 provided. Services, supplies, or care that is not reimbursable  
179 under Medicare or workers' compensation is not required to be  
180 reimbursed by the insurer.

181       2. For purposes of subparagraph 1., the applicable fee  
182 schedule or payment limitation under Medicare is the fee  
183 schedule or payment limitation in effect on March 1 of the year  
184 in which the services, supplies, or care is rendered and for the  
185 area in which such services, supplies, or care is rendered, and  
186 the applicable fee schedule or payment limitation applies from  
187 March 1 until the last day of February ~~throughout the remainder~~  
188 ~~of the following~~ that year, notwithstanding any subsequent  
189 change made to the fee schedule or payment limitation, except  
190 that it may not be less than the allowable amount under the  
191 applicable schedule of Medicare Part B for 2007 for medical  
192 services, supplies, and care subject to Medicare Part B.

193       3. Subparagraph 1. does not allow the insurer to apply any  
194 limitation on the number of treatments or other utilization  
195 limits that apply under Medicare or workers' compensation. An  
196 insurer that applies the allowable payment limitations of  
197 subparagraph 1. must reimburse a provider who lawfully provided  
198 care or treatment under the scope of his or her license,  
199 regardless of whether such provider is entitled to reimbursement  
200 under Medicare due to restrictions or limitations on the types  
201 or discipline of health care providers who may be reimbursed for  
202 particular procedures or procedure codes. However, subparagraph  
203 1. does not prohibit an insurer from using the Medicare coding

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204 policies and payment methodologies of the federal Centers for  
205 Medicare and Medicaid Services, including applicable modifiers,  
206 to determine the appropriate amount of reimbursement for medical  
207 services, supplies, or care if the coding policy or payment  
208 methodology does not constitute a utilization limit.

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

215 5. ~~Effective July 1, 2012,~~ An insurer may limit payment as  
216 authorized by this paragraph only if the insurance policy  
217 includes a notice at the time of issuance or renewal that the  
218 insurer may limit payment pursuant to the schedule of charges  
219 specified in this paragraph. A policy form approved by the  
220 office satisfies this requirement. If a provider submits a  
221 charge for an amount less than the amount allowed under  
222 subparagraph 1., the insurer may pay the amount of the charge  
223 submitted.

224 Section 3. Paragraphs (a) and (b) of subsection (2) of  
225 section 627.744, Florida Statutes, are amended to read:

226 627.744 Required preinsurance inspection of private  
227 passenger motor vehicles.—

228 (2) This section does not apply:

229 (a) To a policy for a policyholder who has been insured for  
230 2 years or longer, without interruption, under a private  
231 passenger motor vehicle policy that ~~which~~ provides physical  
232 damage coverage for any vehicle, if the agent of the insurer



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233 verifies the previous coverage.

234 (b) To a new, unused motor vehicle purchased or leased from  
235 a licensed motor vehicle dealer or leasing company. ~~if~~ The  
236 insurer may require ~~is provided with~~:

237 1. A bill of sale, ~~or~~ buyer's order, or lease agreement  
238 that ~~which~~ contains a full description of the motor vehicle,  
239 ~~including all options and accessories~~; or

240 2. A copy of the title or registration ~~that~~ ~~which~~  
241 establishes transfer of ownership from the dealer or leasing  
242 company to the customer and a copy of the window sticker ~~or the~~  
243 ~~dealer invoice showing the itemized options and equipment and~~  
244 ~~the total retail price of the vehicle~~.

245  
246 For the purposes of this paragraph, the physical damage coverage  
247 on the motor vehicle may not be suspended during the term of the  
248 policy due to the applicant's failure to provide or the  
249 insurer's option not to require the required documents. However,  
250 if the insurer requires a document under this paragraph at the  
251 time the policy is issued, payment of a claim may be ~~is~~  
252 conditioned upon the receipt by the insurer of the required  
253 documents, and no physical damage loss occurring after the  
254 effective date of the coverage is payable until the documents  
255 are provided to the insurer.

256 Section 4. This act shall take effect July 1, 2015.