

By the Committee on Banking and Insurance; and Senator Bradley

597-01468-15

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1                   A bill to be entitled  
2           An act relating to insurer notifications; amending s.  
3           627.421, F.S.; authorizing a policyholder of personal  
4           lines insurance to elect delivery of policy documents  
5           by electronic means; amending s. 627.43141, F.S.;  
6           defining the term "optional coverage"; revising the  
7           requirements applicable to insurers when providing a  
8           notice of change in policy terms for a renewal policy  
9           to include the requirement that the notice be an  
10          advance notice and to allow such notice to be sent  
11          separately from the notice of renewal premium within a  
12          specified timeframe; requiring the insurer to provide  
13          a sample copy of the notice of change in policy terms  
14          to the insurance agent at a specified time;  
15          prohibiting the use of such notice to add optional  
16          coverage that increases the policy's premium unless  
17          the policyholder approves the optional coverage;  
18          reenacting ss. 624.488(4) and 628.6016(4), F.S., to  
19          incorporate the amendments made to s. 627.421, F.S.,  
20          in references thereto; reenacting s. 627.4102(3),  
21          F.S., to incorporate the amendments made to s.  
22          627.43141, F.S., in a reference thereto; providing an  
23          effective date.

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

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27           Section 1. Subsection (1) of section 627.421, Florida  
28   Statutes, is amended to read:

29           627.421 Delivery of policy.-

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30 (1) Subject to the insurer's requirement as to payment of  
31 premium, every policy shall be mailed, delivered, or  
32 electronically transmitted to the insured or to the person  
33 entitled thereto within not later than 60 days after the  
34 effectuation of coverage. Notwithstanding any other provision of  
35 law, an insurer may allow a policyholder of personal lines  
36 insurance to affirmatively elect delivery of the policy  
37 documents, including, but not limited to, policies,  
38 endorsements, notices, or documents, by electronic means in lieu  
39 of delivery by mail. Electronic transmission of a policy for  
40 commercial risks, including, but not limited to, workers'  
41 compensation and employers' liability, commercial automobile  
42 liability, commercial automobile physical damage, commercial  
43 lines residential property, commercial nonresidential property,  
44 farmowners insurance, and the types of commercial lines risks  
45 specified set forth in s. 627.062(3)(d), constitutes shall  
46 constitute delivery to the insured or to the person entitled to  
47 delivery, unless the insured or the person entitled to delivery  
48 communicates to the insurer in writing or electronically that he  
49 or she does not agree to delivery by electronic means.  
50 Electronic transmission must shall include a notice to the  
51 insured or to the person entitled to delivery of a policy of his  
52 or her right to receive the policy via United States mail rather  
53 than via electronic transmission. A paper copy of the policy  
54 shall be provided to the insured or to the person entitled to  
55 delivery at his or her request.

56 Section 2. Present paragraphs (b) and (c) of subsection (1)  
57 of section 627.43141, Florida Statutes, are redesignated as  
58 paragraphs (c) and (d), respectively, a new paragraph (b) is

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59 added to that subsection, subsection (2) of that section is  
60 amended, present subsections (3) through (6) of that section are  
61 redesignated as subsections (4) through (7), respectively, and a  
62 new subsection (3) is added to that section, to read:

63 627.43141 Notice of change in policy terms.—

64 (1) As used in this section, the term:

65 (b) "Optional coverage" means the addition of new insurance  
66 coverage that has not previously been requested or approved by  
67 the policyholder but that does not include any change to the  
68 base policy or a deductible or an insurance limit.

69 (2) A renewal policy may contain a change in policy terms.  
70 ~~If a renewal policy does contain~~ such change occurs, the insurer  
71 shall must give the named insured advance written notice of the  
72 change, which may must be enclosed ~~along~~ with the written notice  
73 of renewal premium required under by ss. 627.4133 and 627.728 or  
74 sent separately within the timeframe required under the Florida  
75 Insurance Code for the provision of a notice of nonrenewal to  
76 the named insured for that line of insurance. The insurer must  
77 also provide a sample copy of the notice to the named insured's  
78 insurance agent before or at the same time that notice is  
79 provided to the named insured. Such notice shall be entitled  
80 "Notice of Change in Policy Terms."

81 (3) A renewal policy that includes the addition of optional  
82 coverage that increases the premium to a policyholder may not  
83 use the "Notice of Change in Policy Terms" under this section to  
84 add the optional coverage to the policy unless the policyholder  
85 affirmatively indicates to the insurer or agent that the  
86 policyholder approves the addition of the optional coverage.

87 Section 3. Subsection (4) of s. 624.488 and subsection (4)

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88 of s. 628.6016, Florida Statutes, are reenacted for the purpose  
89 of incorporating the amendments made by this act to s. 627.421,  
90 Florida Statutes, in references thereto.

91 Section 4. Subsection (3) of s. 627.4102, Florida Statutes,  
92 is reenacted for the purpose of incorporating the amendments  
93 made by this act to s. 627.43141, Florida Statutes, in a  
94 reference thereto.

95 Section 5. This act shall take effect July 1, 2015.