

By the Committees on Commerce and Tourism; and Banking and Insurance; and Senator Bradley

577-01816-15

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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 providing an effective date.

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

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

24 627.421 Delivery of policy.—

25 (1) Subject to the insurer's requirement as to payment of
26 premium, every policy shall be mailed, delivered, or
27 electronically transmitted to the insured or to the person
28 entitled thereto within ~~not later than~~ 60 days after the
29 effectuation of coverage. Notwithstanding any other provision of

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

51 Section 2. Present paragraphs (b) and (c) of subsection (1)
52 of section 627.43141, Florida Statutes, are redesignated as
53 paragraphs (c) and (d), respectively, a new paragraph (b) is
54 added to that subsection, subsection (2) of that section is
55 amended, present subsections (3) through (6) of that section are
56 redesignated as subsections (4) through (7), respectively, and a
57 new subsection (3) is added to that section, to read:

58 627.43141 Notice of change in policy terms.—

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

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

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

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

82 Section 3. This act shall take effect July 1, 2015.