

By the Committee on Banking and Insurance; and Senator Bracy

597-03394-17

20171316c1

1 A bill to be entitled
2 An act relating to preinsurance inspection; amending
3 s. 627.744, F.S.; revising construction; authorizing
4 insurers to opt out of preinsurance inspections of
5 private passenger motor vehicles; requiring insurers
6 opting out to file a certain manual rule with the
7 Office of Insurance Regulation; authorizing such
8 insurers to establish their own preinsurance
9 inspection requirements, which must be included in the
10 filed manual rule; providing that applicants may be
11 required to pay the cost of the inspection up to a
12 specified amount; deleting an obsolete provision;
13 providing an effective date.

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

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17 Section 1. Subsections (3) and (8) of section 627.744,
18 Florida Statutes, are amended, present subsections (4) through
19 (7) of that section are redesignated as subsections (3) through
20 (6), and a new subsection (7) is added to that section, to read:

21 627.744 Required preinsurance inspection of private
22 passenger motor vehicles.—

23 ~~(3) This subsection does not prohibit an insurer from~~
24 ~~requiring a preinsurance inspection of any motor vehicle as a~~
25 ~~condition of issuance of physical damage coverage.~~

26 (7) Notwithstanding any other provision of this section, an
27 insurer may opt out of the inspection requirements of this
28 section. An insurer opting out of the inspection must file a
29 manual rule with the office indicating that the insurer will not

597-03394-17

20171316c1

30 participate in the inspection program under this section. An
31 insurer that files such a manual rule with the office may
32 establish its own preinsurance inspection requirements as a
33 condition to issuing a private passenger motor vehicle insurance
34 policy. The insurer's preinsurance inspection requirements must
35 be included in the manual rule filed with the office. An
36 applicant may be required to pay the cost of the inspection, not
37 to exceed \$5.

38 ~~(8) The Division of Insurance Fraud of the Department of~~
39 ~~Financial Services shall provide a report of data from the~~
40 ~~required preinsurance inspection of motor vehicles to the~~
41 ~~Governor, the President of the Senate, and the Speaker of the~~
42 ~~House of Representatives by December 1, 2016.~~

43 ~~(a) The data must include, but need not be limited to:~~

44 ~~1. A written estimate of the total cost incurred by~~
45 ~~insurers and policyholders in order to comply with the~~
46 ~~inspections.~~

47 ~~2. A written estimate of the total cost incurred by~~
48 ~~insurers to have their motor vehicles inspected.~~

49 ~~3. Documentation regarding the total premium savings for~~
50 ~~policyholders as a result of the inspections.~~

51 ~~4. Documentation of the total number of inspected motor~~
52 ~~vehicles that had a preexisting condition.~~

53 ~~5. Documentation regarding the potential fraud in motor~~
54 ~~vehicle claims incurred within the first 125 days after issuance~~
55 ~~of a new policy.~~

56 ~~6. Documentation of the total number of referrals of~~
57 ~~fraudulent acts to the National Insurance Crime Bureau by~~
58 ~~preinsurance inspectors during the past 5 years.~~

597-03394-17

20171316c1

59 ~~(b) The Legislature may use the report data in determining~~
60 ~~the future public necessity for this section.~~

61 Section 2. This act shall take effect July 1, 2017.