A bill to be entitled
An act relating to insurance; amending s. 624.155, F.S.; revising the circumstances under which civil actions against insurers are prohibited; amending s. 626.914, F.S.; revising the definition of the term "diligent effort," as used in the Surplus Lines Law; amending s. 626.9541, F.S.; providing construction; amending s. 627.0655, F.S.; revising the circumstances under which certain insurance premium discounts are authorized; amending s. 627.311, F.S.; requiring dividends or premium refunds to be retained by a joint underwriting plan under certain circumstances; amending s. 627.351, F.S.; lowering the maximum tax rate increase that the Citizens Property Insurance Corporation implements in Monroe County; providing an expiration date; amending s. 627.428, F.S.; limiting attorney fees awarded in judgments against insurers; amending s. 627.4555, F.S.; requiring notification of lapse in life insurance coverage to be sent to policyowners' agents under certain circumstances; amending s. 627.7015, F.S.; revising the periods of time when property insurers must notify policyholders of certain mediation programs; amending s. 627.739, F.S.; specifying the provisions on personal injury protection deductibles related to medical benefits;
providing an effective date.

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

Section 1. Paragraph (d) of subsection (3) of section 624.155, Florida Statutes, is amended, and subsection (1) of that section is republished, to read:

624.155 Civil remedy.—
(1) Any person may bring a civil action against an insurer when such person is damaged:
   (a) By a violation of any of the following provisions by the insurer:
      1. Section 626.9541(1)(i), (o), or (x);
      2. Section 626.9551;
      3. Section 626.9705;
      4. Section 626.9706;
      5. Section 626.9707; or
      6. Section 627.7283.
   (b) By the commission of any of the following acts by the insurer:
      1. Not attempting in good faith to settle claims when, under all the circumstances, it could and should have done so, had it acted fairly and honestly toward its insured and with due regard for her or his interests;
      2. Making claims payments to insureds or beneficiaries not
accompanied by a statement setting forth the coverage under which payments are being made; or

3. Except as to liability coverages, failing to promptly settle claims, when the obligation to settle a claim has become reasonably clear, under one portion of the insurance policy coverage in order to influence settlements under other portions of the insurance policy coverage.

Notwithstanding the provisions of the above to the contrary, a person pursuing a remedy under this section need not prove that such act was committed or performed with such frequency as to indicate a general business practice.

(3)

(d) No action shall lie if, within 60 days after filing notice:

1. The damages are paid;

2. An appraisal is in process and payment, if required, is timely made; or

3. The circumstances giving rise to the violation are corrected.

Section 2. Subsection (4) of section 626.914, Florida Statutes, is amended to read:

626.914 Definitions.—As used in this Surplus Lines Law, the term:

(4) "Diligent effort" means seeking coverage from and
having been rejected by at least three authorized insurers currently writing this type of coverage and documenting these rejections. However, if the residential structure has a dwelling replacement cost of $700,000 $1 million or more, the term means seeking coverage from and having been rejected by at least one authorized insurer currently writing this type of coverage and documenting this rejection.

Section 3. Subsection (5) is added to section 626.9541, Florida Statutes, to read:

626.9541 Unfair methods of competition and unfair or deceptive acts or practices defined.—

(5) LOSS CONTROL AND LOSS MITIGATION.—This section does not prohibit an insurer or agent from offering or giving to an insured, for free or at a discounted price, services or other offerings that relate to loss control or loss mitigation with respect to the risks covered under the policy.

Section 4. Section 627.0655, Florida Statutes, is amended to read:

627.0655 Policyholder loss or expense-related premium discounts.—An insurer or person authorized to engage in the business of insurance in this state may include, in the premium charged an insured for any policy, contract, or certificate of insurance, a discount based on the fact that another policy, contract, or certificate of any type has been purchased by the insured from the same insurer or insurer group, the Citizens
Property Insurance Corporation created under s. 627.351(6) if the same insurance agent is servicing both policies, or an insurer that has removed the policy from the Citizens Property Insurance Corporation if the same insurance agent is servicing both policies.

Section 5. Paragraph (h) of subsection (5) of section 627.311, Florida Statutes, is amended to read:

627.311 Joint underwriters and joint reinsurers; public records and public meetings exemptions.—

(5)

(h) Any premium or assessments collected by the plan in excess of the amount necessary to fund projected ultimate incurred losses and expenses of the plan and not paid to insureds of the plan in conjunction with loss prevention or dividend programs shall be retained by the plan for future use. Any state funds received by the plan in excess of the amount necessary to fund deficits in subplan D or any tier shall be returned to the state. Any dividend or premium refund that cannot be paid to a former insured of the plan because the former insured cannot be reasonably located shall be retained by the plan for future use.

Section 6. Paragraph (n) of subsection (6) of section 627.351, Florida Statutes, is amended to read:

627.351 Insurance risk apportionment plans.—

(6) CITIZENS PROPERTY INSURANCE CORPORATION.—
(n)1. Rates for coverage provided by the corporation must be actuarially sound and subject to s. 627.062, except as otherwise provided in this paragraph. The corporation shall file its recommended rates with the office at least annually. The corporation shall provide any additional information regarding the rates which the office requires. The office shall consider the recommendations of the board and issue a final order establishing the rates for the corporation within 45 days after the recommended rates are filed. The corporation may not pursue an administrative challenge or judicial review of the final order of the office.

2. In addition to the rates otherwise determined pursuant to this paragraph, the corporation shall impose and collect an amount equal to the premium tax provided in s. 624.509 to augment the financial resources of the corporation.

3. After the public hurricane loss-projection model under s. 627.06281 has been found to be accurate and reliable by the Florida Commission on Hurricane Loss Projection Methodology, the model shall be considered when establishing the windstorm portion of the corporation's rates. The corporation may use the public model results in combination with the results of private models to calculate rates for the windstorm portion of the corporation's rates. This subparagraph does not require or allow the corporation to adopt rates lower than the rates otherwise required or allowed by this paragraph.
4. The rate filings for the corporation which were approved by the office and took effect January 1, 2007, are rescinded, except for those rates that were lowered. As soon as possible, the corporation shall begin using the lower rates that were in effect on December 31, 2006, and provide refunds to policyholders who paid higher rates as a result of that rate filing. The rates in effect on December 31, 2006, remain in effect for the 2007 and 2008 calendar years except for any rate change that results in a lower rate. The next rate change that may increase rates shall take effect pursuant to a new rate filing recommended by the corporation and established by the office, subject to this paragraph.

5. Beginning on July 15, 2009, and annually thereafter, the corporation must make a recommended actuarially sound rate filing for each personal and commercial line of business it writes, to be effective no earlier than January 1, 2010.

6.a. Beginning on or after January 1, 2010, and notwithstanding the board's recommended rates and the office's final order regarding the corporation's filed rates under subparagraph 1., the corporation shall annually implement a rate increase which, except for sinkhole coverage, does not exceed 10 percent for any single policy issued by the corporation, excluding coverage changes and surcharges.

   b. Beginning on or after January 1, 2020, and notwithstanding the board's recommended rates and the office's
### Section 6

**Attorney fees**

**627.428 Attorney fees.**

(2) As to suits based on claims arising under life insurance policies or annuity contracts, no such attorney's fee shall be allowed if such suit was commenced prior to expiration of 60 days after proof of the claim was duly filed.
(4) A contingency risk multiplier may not be applied to attorney fees recovered under this section.

Section 8. Section 627.4555, Florida Statutes, is amended to read:

627.4555 Secondary notice.—

(1) Except as provided in this section, a contract for life insurance issued or issued for delivery in this state on or after October 1, 1997, covering a natural person 64 years of age or older, which has been in force for at least 1 year, may not be lapsed for nonpayment of premium unless, after expiration of the grace period, and at least 21 days before the effective date of any such lapse, the insurer has mailed a notification of the impending lapse in coverage to the policyowner and to a specified secondary addressee if such addressee has been designated in writing by name and address by the policyowner. An insurer issuing a life insurance contract on or after October 1, 1997, shall notify the applicant of the right to designate a secondary addressee at the time of application for the policy, on a form provided by the insurer, and at any time the policy is in force, by submitting a written notice to the insurer containing the name and address of the secondary addressee. For purposes of any life insurance policy that provides a grace period of more than 51 days for nonpayment of premiums, the notice of impending lapse in coverage required by this section.

CODING: Words stricken are deletions; words underlined are additions.
must be mailed to the policyowner and the secondary addressee at least 21 days before the expiration of the grace period provided in the policy. This section does not apply to any life insurance contract under which premiums are payable monthly or more frequently and are regularly collected by a licensed agent or are paid by credit card or any preauthorized check processing or automatic debit service of a financial institution.

(2) If the policyowner has a life agent, or any agent, of record, the insurer must also mail or send electronically a copy of the notification of the impending lapse in coverage required in subsection (1) to the agent at least 21 days before the effective date of any such lapse. Receipt of this notice does not make the agent responsible for any lapse in coverage.

Section 9. Subsection (2) of section 627.7015, Florida Statutes, is amended to read:

627.7015 Alternative procedure for resolution of disputed property insurance claims.—

(2) Either at the time a first-party claim within the scope of this section is filed by the policyholder or at the time coverage is applied and payment is determined, the insurer shall notify the policyholder of its right to participate in the mediation program under this section. The department shall prepare a consumer information pamphlet for distribution to persons participating in mediation.

Section 10. Subsection (2) of section 627.739, Florida
Statutes, is amended to read:

627.739 Personal injury protection; optional limitations; deductibles.—

(2) Insurers shall offer to each applicant and to each policyholder, upon the renewal of an existing policy, deductibles, in amounts of $250, $500, and $1,000. The deductible amount must be applied to all the benefits in s. 627.736, including the medical benefits described in s. 627.736(1)(a) 100 percent of the expenses and losses described in s. 627.736. If an insurer has provided notice that it may limit reimbursement based on the schedule of maximum charges authorized under s. 627.736, the amount of medical benefits applicable to the deductible shall be limited to 100 percent of such authorized reimbursement limitation and fee schedules. After the deductible is met, each insured is eligible to receive up to $10,000 in total benefits described in s. 627.736(1). However, this subsection shall not be applied to reduce the amount of any benefits received in accordance with s. 627.736(1)(c).

Section 11. This act shall take effect upon becoming a law.