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. 627.4555, F.S.; requiring life insurers that are required to provide a specified notice to policyowners of an impending lapse in coverage to also notify the policyowner's agent of record within a certain timeframe; providing that the agent is not responsible for any lapse in coverage; exempting the insurer from the requirement under certain circumstances; amending s. 627.7015, F.S.; revising the periods of time when property insurers must notify policyholders of certain mediation programs; 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 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
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 merchandise, goods, wares, or other items of value 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:

(1) The same insurer or insurer group, or another insurer under a joint marketing agreement;

(2) The Citizens Property Insurance Corporation created under s. 627.351(6), if the same insurance agent is servicing both policies; or

CODING: Words stricken are deletions; words underlined are additions.
(3) An insurer that has removed the policy from the Citizens Property Insurance Corporation or issued a policy pursuant to the clearinghouse program under s. 627.3518, if the same insurance agent is servicing both policies; or

(4) An insurer, if the same insurance agent is servicing the policies.

Section 5. 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
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 of record or any
agent of record, the insurer must also notify the agent of the
impending lapse in coverage or mail or send electronically a
copy of the notification of the impending lapse in coverage
under subsection (1) to the agent at least 21 days before the
effective date of any such lapse. Receipt of such notice does
not make the agent responsible for any lapse in coverage. An
insurer is not required to notify the agent under this
subsection if any of the following applies:

(a) The insurer maintains an online system that allows an
agent to independently determine if a policy has lapsed.

(b) The insurer has no record of the current agent of
record.

(c) The agent is employed by the insurer or an affiliate
of the insurer.
Section 6. 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 7. This act shall take effect July 1, 2019.