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2019 Legislature

1  
 2 An act relating to insurance; amending s. 215.555,  
 3 F.S.; specifying the required reimbursement of loss  
 4 adjustment expenses in reimbursement contracts between  
 5 the State Board of Administration and property  
 6 insurers under the Florida Hurricane Catastrophe Fund  
 7 on or after a specified date; amending s. 319.30,  
 8 F.S.; specifying means by which an insurance company  
 9 may forward certificates of title of certain salvage  
 10 motor vehicles or mobile homes to the Department of  
 11 Highway Safety and Motor Vehicles; revising the  
 12 effective date of certain procedures and requirements  
 13 relating to certificates of title; providing that  
 14 certain electronic signatures satisfy certain  
 15 signature requirements; amending s. 440.381, F.S.;  
 16 revising a criminal penalty for the submission, with  
 17 certain intent, of an employer application for  
 18 workers' compensation insurance coverage which  
 19 contains false, misleading, or incomplete information;  
 20 providing that certain sworn statements in such  
 21 applications are not required to be notarized;  
 22 amending s. 921.0022, F.S.; conforming a provision to  
 23 changes made by the act; creating s. 624.1055, F.S.;  
 24 providing right of contribution of certain liability  
 25 insurers against other liability insurers for defense

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26 | costs; providing for apportionment of costs; providing  
 27 | for enforcement of right of contribution; providing  
 28 | construction; providing applicability; amending s.  
 29 | 624.155, F.S.; deleting a provision that tolls, under  
 30 | certain circumstances, a period before a civil action  
 31 | against an insurer may be brought; deleting a  
 32 | provision authorizing the Department of Financial  
 33 | Services to return a civil remedy notice for lack of  
 34 | specificity; prohibiting the filing of the notice  
 35 | within a certain timeframe under certain  
 36 | circumstances; amending s. 624.404, F.S.; adding a  
 37 | circumstance under which the Office of Insurance  
 38 | Regulation may waive a 3-year operation requirement  
 39 | for foreign or alien insurers and exchanges; amending  
 40 | s. 624.4085, F.S.; providing applicability of risk-  
 41 | based capital requirements for certain insurers;  
 42 | specifying risk-based capital determination for  
 43 | certain insurers; amending s. 626.914, F.S.; revising  
 44 | the definition of the term "diligent effort," as used  
 45 | in the Surplus Lines Law; amending s. 626.916, F.S.;  
 46 | removing the cap on per-policy fees charged by a  
 47 | filing surplus lines agent under certain  
 48 | circumstances; requiring such fees to be itemized and  
 49 | enumerated; authorizing a reasonable per-policy fee  
 50 | charged by a retail agent on surplus lines policies;

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51 requiring such fees to be itemized before policy  
52 purchase; amending s. 626.9541, F.S.; providing  
53 construction; amending s. 627.0655, F.S.; revising the  
54 circumstances under which certain insurance premium  
55 discounts are authorized; amending s. 627.426, F.S.;  
56 revising the requirements for sufficient proof of  
57 notice for certain insurance notices; amending s.  
58 627.4555, F.S.; requiring life insurers that are  
59 required to provide a specified notice to policyowners  
60 of an impending lapse in coverage to also notify the  
61 policyowner's agent of record within a certain  
62 timeframe; providing that the agent is not responsible  
63 for any lapse in coverage; exempting the insurer from  
64 the requirement under certain circumstances; amending  
65 s. 627.7015, F.S.; revising the periods of time when  
66 property insurers must notify policyholders of certain  
67 mediation programs; amending s. 627.7295, F.S.;  
68 reducing the amount that must be collected from  
69 insureds before policies or binders are issued;  
70 providing applicability; providing effective dates.

71  
72 Be It Enacted by the Legislature of the State of Florida:

73  
74 Section 1. Effective upon this act becoming a law,  
75 paragraph (b) of subsection (4) of section 215.555, Florida

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76 Statutes, is amended to read:

77 215.555 Florida Hurricane Catastrophe Fund.—

78 (4) REIMBURSEMENT CONTRACTS.—

79 (b)1. The contract shall contain a promise by the board to  
 80 reimburse the insurer for 45 percent, 75 percent, or 90 percent  
 81 of its losses from each covered event in excess of the insurer's  
 82 retention, plus 5 percent of the reimbursed losses to cover loss  
 83 adjustment expenses. For contracts and rates effective on or  
 84 after June 1, 2019, the loss adjustment expense reimbursement  
 85 must be 10 percent of the reimbursed losses.

86 2. The insurer must elect one of the percentage coverage  
 87 levels specified in this paragraph and may, upon renewal of a  
 88 reimbursement contract, elect a lower percentage coverage level  
 89 if no revenue bonds issued under subsection (6) after a covered  
 90 event are outstanding, or elect a higher percentage coverage  
 91 level, regardless of whether or not revenue bonds are  
 92 outstanding. All members of an insurer group must elect the same  
 93 percentage coverage level. Any joint underwriting association,  
 94 risk apportionment plan, or other entity created under s.  
 95 627.351 must elect the 90-percent coverage level.

96 3. The contract shall provide that reimbursement amounts  
 97 shall not be reduced by reinsurance paid or payable to the  
 98 insurer from other sources.

99 Section 2. Paragraph (b) of subsection (3) of section  
 100 319.30, Florida Statutes, is amended, and paragraph (d) is added

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101 to that subsection, to read:

102 319.30 Definitions; dismantling, destruction, change of  
103 identity of motor vehicle or mobile home; salvage.—

104 (3)

105 (b) The owner, including persons who are self-insured, of  
106 a motor vehicle or mobile home that is considered to be salvage  
107 shall, within 72 hours after the motor vehicle or mobile home  
108 becomes salvage, forward the title to the motor vehicle or  
109 mobile home to the department for processing. However, an  
110 insurance company that pays money as compensation for the total  
111 loss of a motor vehicle or mobile home shall obtain the  
112 certificate of title for the motor vehicle or mobile home, make  
113 the required notification to the National Motor Vehicle Title  
114 Information System, and, within 72 hours after receiving such  
115 certificate of title, forward such title by the United States  
116 Postal Service, by another commercial delivery service, or by  
117 electronic means, when such means are made available by the  
118 department, to the department for processing. The owner or  
119 insurance company, as applicable, may not dispose of a vehicle  
120 or mobile home that is a total loss before it obtains a salvage  
121 certificate of title or certificate of destruction from the  
122 department. Effective January 1, 2020 ~~July 1, 2023~~:

123 1. Thirty days after payment of a claim for compensation  
124 pursuant to this paragraph, the insurance company may receive a  
125 salvage certificate of title or certificate of destruction from

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126 | the department if the insurance company is unable to obtain a  
127 | properly assigned certificate of title from the owner or  
128 | lienholder of the motor vehicle or mobile home, if the motor  
129 | vehicle or mobile home does not carry an electronic lien on the  
130 | title and the insurance company:

131 |       a. Has obtained the release of all liens on the motor  
132 | vehicle or mobile home;

133 |       b. Has provided proof of payment of the total loss claim;  
134 | and

135 |       c. Has provided an affidavit on letterhead signed by the  
136 | insurance company or its authorized agent stating the attempts  
137 | that have been made to obtain the title from the owner or  
138 | lienholder and further stating that all attempts are to no  
139 | avail. The affidavit must include a request that the salvage  
140 | certificate of title or certificate of destruction be issued in  
141 | the insurance company's name due to payment of a total loss  
142 | claim to the owner or lienholder. The attempts to contact the  
143 | owner may be by written request delivered in person or by first-  
144 | class mail with a certificate of mailing to the owner's or  
145 | lienholder's last known address.

146 |       2. If the owner or lienholder is notified of the request  
147 | for title in person, the insurance company must provide an  
148 | affidavit attesting to the in-person request for a certificate  
149 | of title.

150 |       3. The request to the owner or lienholder for the

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151 certificate of title must include a complete description of the  
 152 motor vehicle or mobile home and the statement that a total loss  
 153 claim has been paid on the motor vehicle or mobile home.

154 (d) An electronic signature that is consistent with  
 155 chapter 668 satisfies any signature required under this  
 156 subsection, except that an electronic signature on an odometer  
 157 disclosure submitted through an insurance company must be  
 158 executed using an electronic signature, as defined in s.  
 159 668.003(4), that uses a system providing an Identity Assurance  
 160 Level, Authenticator Assurance Level, and Federation Assurance  
 161 Level, as described in the National Institute of Standards and  
 162 Technology Special Publication 800-63-3, as of December 1, 2017,  
 163 that are equivalent to or greater than:

- 164 1. Level 2, for each level, for a certificate of
- 165 destruction.
- 166 2. Level 3, for each level, for a salvage certificate of
- 167 title.

168 Section 3. Subsection (2) of section 440.381, Florida  
 169 Statutes, is amended to read:

170 440.381 Application for coverage; reporting payroll;  
 171 payroll audit procedures; penalties.-

172 (2) Submission of an application that contains false,  
 173 misleading, or incomplete information provided with the purpose  
 174 of avoiding or reducing the amount of premiums for workers'  
 175 compensation coverage is a felony of the third ~~second~~ degree,

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176 punishable as provided in s. 775.082, s. 775.083, or s. 775.084.  
 177 The application must contain a statement that the filing of an  
 178 application containing false, misleading, or incomplete  
 179 information provided with the purpose of avoiding or reducing  
 180 the amount of premiums for workers' compensation coverage is a  
 181 felony of the third degree, punishable as provided in s.  
 182 775.082, s. 775.083, or s. 775.084. The application must contain  
 183 a sworn statement by the employer attesting to the accuracy of  
 184 the information submitted and acknowledging the provisions of  
 185 former s. 440.37(4). The application must contain a sworn  
 186 statement by the agent attesting that the agent explained to the  
 187 employer or officer the classification codes that are used for  
 188 premium calculations. The sworn statements by the employer and  
 189 the agent are not required to be notarized.

190 Section 4. Paragraph (e) of subsection (3) of section  
 191 921.0022, Florida Statutes, is amended to read:

192 921.0022 Criminal Punishment Code; offense severity  
 193 ranking chart.—

194 (3) OFFENSE SEVERITY RANKING CHART

195 (e) LEVEL 5

196

Florida Statute	Felony Degree	Description
316.027(2)(a)	3rd	Accidents involving personal

197



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injuries other than serious  
bodily injury, failure to stop;  
leaving scene.

198

316.1935(4)(a) 2nd Aggravated fleeing or eluding.

199

316.80(2) 2nd Unlawful conveyance of fuel;  
obtaining fuel fraudulently.

200

322.34(6) 3rd Careless operation of motor  
vehicle with suspended license,  
resulting in death or serious  
bodily injury.

201

327.30(5) 3rd Vessel accidents involving  
personal injury; leaving scene.

202

379.365(2)(c)1. 3rd Violation of rules relating to:  
willful molestation of stone  
crab traps, lines, or buoys;  
illegal bartering, trading, or  
sale, conspiring or aiding in  
such barter, trade, or sale, or  
supplying, agreeing to supply,  
aiding in supplying, or giving

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away stone crab trap tags or certificates; making, altering, forging, counterfeiting, or reproducing stone crab trap tags; possession of forged, counterfeit, or imitation stone crab trap tags; and engaging in the commercial harvest of stone crabs while license is suspended or revoked.

203

379.367 (4) 3rd Willful molestation of a commercial harvester's spiny lobster trap, line, or buoy.

204

379.407 (5) (b) 3. 3rd Possession of 100 or more undersized spiny lobsters.

205

381.0041 (11) (b) 3rd Donate blood, plasma, or organs knowing HIV positive.

206

440.10 (1) (g) 2nd Failure to obtain workers' compensation coverage.

207

440.105 (5) 2nd Unlawful solicitation for the

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purpose of making workers'  
compensation claims.

208

440.381 (2)            3rd ~~2nd~~ Submission of false,  
misleading, or incomplete  
information with the purpose of  
avoiding or reducing workers'  
compensation premiums.

209

624.401 (4) (b) 2.        2nd    Transacting insurance without a  
certificate or authority;  
premium collected \$20,000 or  
more but less than \$100,000.

210

626.902 (1) (c)            2nd    Representing an unauthorized  
insurer; repeat offender.

211

790.01 (2)                3rd    Carrying a concealed firearm.

212

790.162                    2nd    Threat to throw or discharge  
destructive device.

213

790.163 (1)                2nd    False report of bomb,  
explosive, weapon of mass  
destruction, or use of firearms

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in violent manner.

214

790.221 (1) 2nd Possession of short-barreled  
shotgun or machine gun.

215

790.23 2nd Felons in possession of  
firearms, ammunition, or  
electronic weapons or devices.

216

796.05 (1) 2nd Live on earnings of a  
prostitute; 1st offense.

217

800.04 (6) (c) 3rd Lewd or lascivious conduct;  
offender less than 18 years of  
age.

218

800.04 (7) (b) 2nd Lewd or lascivious exhibition;  
offender 18 years of age or  
older.

219

806.111 (1) 3rd Possess, manufacture, or  
dispense fire bomb with intent  
to damage any structure or  
property.

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221	812.0145 (2) (b)	2nd	Theft from person 65 years of age or older; \$10,000 or more but less than \$50,000.
222	812.015 (8)	3rd	Retail theft; property stolen is valued at \$300 or more and one or more specified acts.
223	812.019 (1)	2nd	Stolen property; dealing in or trafficking in.
224	812.131 (2) (b)	3rd	Robbery by sudden snatching.
225	812.16 (2)	3rd	Owning, operating, or conducting a chop shop.
226	817.034 (4) (a) 2.	2nd	Communications fraud, value \$20,000 to \$50,000.
227	817.234 (11) (b)	2nd	Insurance fraud; property value \$20,000 or more but less than \$100,000.
	817.2341 (1), (2) (a) & (3) (a)	3rd	Filing false financial statements, making false

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entries of material fact or  
false statements regarding  
property values relating to the  
solvency of an insuring entity.

228

817.568 (2) (b) 2nd

Fraudulent use of personal  
identification information;  
value of benefit, services  
received, payment avoided, or  
amount of injury or fraud,  
\$5,000 or more or use of  
personal identification  
information of 10 or more  
persons.

229

817.611 (2) (a) 2nd

Traffic in or possess 5 to 14  
counterfeit credit cards or  
related documents.

230

817.625 (2) (b) 2nd

Second or subsequent fraudulent  
use of scanning device,  
skimming device, or reencoder.

231

825.1025 (4) 3rd

Lewd or lascivious exhibition  
in the presence of an elderly

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person or disabled adult.

232

827.071 (4)                      2nd      Possess with intent to promote any photographic material, motion picture, etc., which includes sexual conduct by a child.

233

827.071 (5)                      3rd      Possess, control, or intentionally view any photographic material, motion picture, etc., which includes sexual conduct by a child.

234

828.12 (2)                      3rd      Tortures any animal with intent to inflict intense pain, serious physical injury, or death.

235

839.13 (2) (b)                      2nd      Falsifying records of an individual in the care and custody of a state agency involving great bodily harm or death.

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237	843.01	3rd	Resist officer with violence to person; resist arrest with violence.
238	847.0135 (5) (b)	2nd	Lewd or lascivious exhibition using computer; offender 18 years or older.
239	847.0137 (2) & (3)	3rd	Transmission of pornography by electronic device or equipment.
240	847.0138 (2) & (3)	3rd	Transmission of material harmful to minors to a minor by electronic device or equipment.
241	874.05 (1) (b)	2nd	Encouraging or recruiting another to join a criminal gang; second or subsequent offense.
242	874.05 (2) (a)	2nd	Encouraging or recruiting person under 13 years of age to join a criminal gang.
	893.13 (1) (a) 1.	2nd	Sell, manufacture, or deliver



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cocaine (or other s.  
 893.03(1)(a), (1)(b), (1)(d),  
 (2)(a), (2)(b), or (2)(c)5.  
 drugs).

243

893.13(1)(c)2.            2nd    Sell, manufacture, or deliver  
 cannabis (or other s.  
 893.03(1)(c), (2)(c)1.,  
 (2)(c)2., (2)(c)3., (2)(c)6.,  
 (2)(c)7., (2)(c)8., (2)(c)9.,  
 (2)(c)10., (3), or (4) drugs)  
 within 1,000 feet of a child  
 care facility, school, or  
 state, county, or municipal  
 park or publicly owned  
 recreational facility or  
 community center.

244

893.13(1)(d)1.            1st    Sell, manufacture, or deliver  
 cocaine (or other s.  
 893.03(1)(a), (1)(b), (1)(d),  
 (2)(a), (2)(b), or (2)(c)5.  
 drugs) within 1,000 feet of  
 university.

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246	893.13(1)(e)2.	2nd	<p>Sell, manufacture, or deliver cannabis or other drug prohibited under s. 893.03(1)(c), (2)(c)1., (2)(c)2., (2)(c)3., (2)(c)6., (2)(c)7., (2)(c)8., (2)(c)9., (2)(c)10., (3), or (4) within 1,000 feet of property used for religious services or a specified business site.</p>
247	893.13(1)(f)1.	1st	<p>Sell, manufacture, or deliver cocaine (or other s. 893.03(1)(a), (1)(b), (1)(d), or (2)(a), (2)(b), or (2)(c)5. drugs) within 1,000 feet of public housing facility.</p>
248	893.13(4)(b)	2nd	<p>Use or hire of minor; deliver to minor other controlled substance.</p>
248	893.1351(1)	3rd	<p>Ownership, lease, or rental for trafficking in or manufacturing of controlled substance.</p>

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249

250 Section 5. Section 624.1055, Florida Statutes, is created  
251 to read:

252 624.1055 Right of contribution among liability insurers  
253 for defense costs.—A liability insurer who owes a duty to defend  
254 an insured and who defends the insured against a claim, suit, or  
255 other action has a right of contribution for defense costs  
256 against any other liability insurer who owes a duty to defend  
257 the insured against the same claim, suit, or other action,  
258 provided that contribution may not be sought from any liability  
259 insurer for defense costs that are incurred before the liability  
260 insurer's receipt of notice of the claim, suit, or other action.

261 (1) APPORTIONMENT OF COSTS.—The court shall allocate  
262 defense costs among liability insurers who owe a duty to defend  
263 the insured against the same claim, suit, or other action in  
264 accordance with the terms of the liability insurance policies.  
265 The court may use such equitable factors as the court determines  
266 are appropriate in making such allocation.

267 (2) ENFORCEMENT OF RIGHT OF CONTRIBUTION.—A liability  
268 insurer who is entitled to contribution from another liability  
269 insurer under this section may file an action for contribution  
270 in a court of competent jurisdiction.

271 (3) CONSTRUCTION.—

272 (a) This section is not intended to alter any terms of a  
273 liability insurance policy or to create any additional duty on

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274 the part of a liability insurer to an insured.

275 (b) An insured may not rely on this section as grounds for  
 276 a complaint against a liability insurer.

277 (4) APPLICABILITY.—This section applies to liability  
 278 insurance policies issued for delivery in this state, or  
 279 liability insurance policies under which an insurer has a duty  
 280 to defend an insured against claims asserted or suits or actions  
 281 filed in this state. Such liability insurance policies include  
 282 surplus lines insurance policies authorized under the Surplus  
 283 Lines Law, ss. 626.913-626.937.

284 (5) Notwithstanding subsection (4), this section does not  
 285 apply to motor vehicle liability insurance or medical  
 286 professional liability insurance.

287 Section 6. Subsection (3) of section 624.155, Florida  
 288 Statutes, is amended to read:

289 624.155 Civil remedy.—

290 (3) (a) As a condition precedent to bringing an action  
 291 under this section, the department and the authorized insurer  
 292 must have been given 60 days' written notice of the violation.  
 293 ~~If the department returns a notice for lack of specificity, the~~  
 294 ~~60-day time period shall not begin until a proper notice is~~  
 295 ~~filed.~~

296 (b) The notice shall be on a form provided by the  
 297 department and shall state with specificity the following  
 298 information, and such other information as the department may

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299 require:

300 1. The statutory provision, including the specific  
 301 language of the statute, which the authorized insurer allegedly  
 302 violated.

303 2. The facts and circumstances giving rise to the  
 304 violation.

305 3. The name of any individual involved in the violation.

306 4. Reference to specific policy language that is relevant  
 307 to the violation, if any. If the person bringing the civil  
 308 action is a third party claimant, she or he shall not be  
 309 required to reference the specific policy language if the  
 310 authorized insurer has not provided a copy of the policy to the  
 311 third party claimant pursuant to written request.

312 5. A statement that the notice is given in order to  
 313 perfect the right to pursue the civil remedy authorized by this  
 314 section.

315 ~~(c) Within 20 days of receipt of the notice, the~~  
 316 ~~department may return any notice that does not provide the~~  
 317 ~~specific information required by this section, and the~~  
 318 ~~department shall indicate the specific deficiencies contained in~~  
 319 ~~the notice. A determination by the department to return a notice~~  
 320 ~~for lack of specificity shall be exempt from the requirements of~~  
 321 ~~chapter 120.~~

322 (c) ~~(d)~~ No action shall lie if, within 60 days after filing  
 323 notice, the damages are paid or the circumstances giving rise to

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324 the violation are corrected.

325 (d)~~(e)~~ The authorized insurer that is the recipient of a  
 326 notice filed pursuant to this section shall report to the  
 327 department on the disposition of the alleged violation.

328 (e)~~(f)~~ The applicable statute of limitations for an action  
 329 under this section shall be tolled for a period of 65 days by  
 330 the mailing of the notice required by this subsection or the  
 331 mailing of a subsequent notice required by this subsection.

332 (f) A notice required under this subsection may not be  
 333 filed within 60 days after appraisal is invoked by any party in  
 334 a residential property insurance claim.

335 Section 7. Subsection (2) of section 624.404, Florida  
 336 Statutes, is amended to read:

337 624.404 General eligibility of insurers for certificate of  
 338 authority.—To qualify for and hold authority to transact  
 339 insurance in this state, an insurer must be otherwise in  
 340 compliance with this code and with its charter powers and must  
 341 be an incorporated stock insurer, an incorporated mutual  
 342 insurer, or a reciprocal insurer, of the same general type as  
 343 may be formed as a domestic insurer under this code; except  
 344 that:

345 (2) A ~~No~~ foreign or alien insurer or exchange may not  
 346 ~~shall~~ be authorized to transact insurance in this state unless  
 347 it is otherwise qualified therefor under this code and has  
 348 operated satisfactorily for at least 3 years in its state or

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349 | country of domicile; however, the office may waive the 3-year  
 350 | requirement if the foreign or alien insurer or exchange:

351 |       (a) Has operated successfully and has capital and surplus  
 352 | of \$5 million;

353 |       (b) Is the wholly owned subsidiary of an insurer which is  
 354 | an authorized insurer in this state;

355 |       (c) Is the successor in interest through merger or  
 356 | consolidation of an authorized insurer; ~~or~~

357 |       (d) Provides a product or service not readily available to  
 358 | the consumers of this state; or

359 |       (e) Possesses sufficient capital and surplus to support  
 360 | its plan of operation as filed with the office.

361 |       Section 8. Paragraphs (d) and (e) of subsection (2) of  
 362 | section 624.4085, Florida Statutes, are amended to read:

363 |       624.4085 Risk-based capital requirements for insurers.—

364 |       (2)

365 |       (d) A life and health insurer's risk-based capital is  
 366 | determined in accordance with the formula set forth in the risk-  
 367 | based capital instructions. The formula takes into account and  
 368 | may adjust for the covariance between:

- 369 |       1. The risk with respect to the insurer's assets;  
 370 |       2. The risk of adverse insurance experience with respect  
 371 | to the insurer's liabilities and obligations;  
 372 |       3. The interest rate risk with respect to the insurer's  
 373 | business; and

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374 4. Any other business or other relevant risk set out in  
 375 the risk-based capital instructions,  
 376  
 377 determined in each case by applying the factors in the manner  
 378 set forth in the risk-based capital instructions. This paragraph  
 379 does not apply to a health maintenance organization or a prepaid  
 380 limited health service organization.

381 (e) A property and casualty insurer's and, if subject to  
 382 this section pursuant to paragraph (1)(g), a health maintenance  
 383 organization's or a prepaid limited health service  
 384 organization's, risk-based capital is determined in accordance  
 385 with the formula set forth in the risk-based capital  
 386 instructions. The formula takes into account and may adjust for  
 387 the covariance between:

- 388 1. The asset risk;
- 389 2. The credit risk;
- 390 3. The underwriting risk; and
- 391 4. Any other business or other relevant risk set out in  
 392 the risk-based capital instructions,

393  
 394 determined in each case by applying the factors in the manner  
 395 set forth in the risk-based capital instructions.

396 Section 9. Subsection (4) of section 626.914, Florida  
 397 Statutes, is amended to read:

398 626.914 Definitions.—As used in this Surplus Lines Law,



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399 the term:

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

408 Section 10. Subsection (4) of section 626.916, Florida  
 409 Statutes, is amended, and subsection (5) is added to that  
 410 section, to read:

411 626.916 Eligibility for export.—

412 (4) A reasonable per-policy fee, ~~not to exceed \$35,~~ may be  
 413 charged by the filing surplus lines agent for each policy  
 414 certified for export. This per-policy fee must be itemized  
 415 separately to the customer before purchase and enumerated in the  
 416 policy.

417 (5) A retail agent may charge a reasonable per-policy fee  
 418 for placement of a surplus lines policy under this section. This  
 419 per-policy fee must be itemized separately to the customer  
 420 before purchase.

421 Section 11. Subsection (5) is added to section 626.9541,  
 422 Florida Statutes, to read:

423 626.9541 Unfair methods of competition and unfair or

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424 | deceptive acts or practices defined.—

425 |       (5) LOSS CONTROL AND LOSS MITIGATION.—This section does  
 426 | not prohibit an insurer or agent from offering or giving to an  
 427 | insured, for free or at a discounted price, services or other  
 428 | merchandise, goods, wares, or other items of value that relate  
 429 | to loss control or loss mitigation with respect to the risks  
 430 | covered under the policy.

431 |       Section 12. Section 627.0655, Florida Statutes, is amended  
 432 | to read:

433 |       627.0655 Policyholder loss or expense-related premium  
 434 | discounts.—An insurer or person authorized to engage in the  
 435 | business of insurance in this state may include, in the premium  
 436 | charged an insured for any policy, contract, or certificate of  
 437 | insurance, a discount based on the fact that another policy,  
 438 | contract, or certificate of any type has been purchased by the  
 439 | insured from:

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

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

445 |       (3) An insurer that has removed the policy from the  
 446 | Citizens Property Insurance Corporation or issued a policy  
 447 | pursuant to the clearinghouse program under s. 627.3518, if the  
 448 | same insurance agent is servicing both policies; or

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

451           Section 13. Subsection (2) of section 627.426, Florida  
 452 Statutes, is amended to read:

453           627.426 Claims administration.—

454           (2) A liability insurer shall not be permitted to deny  
 455 coverage based on a particular coverage defense unless:

456           (a) Within 30 days after the liability insurer knew or  
 457 should have known of the coverage defense, written notice of  
 458 reservation of rights to assert a coverage defense is given to  
 459 the named insured by United States postal proof of mailing,  
 460 registered or certified mail, or other mailing using the  
 461 Intelligent Mail barcode or other similar tracking method used  
 462 or approved by the United States Postal Service sent to the last  
 463 known address of the insured or by hand delivery; and

464           (b) Within 60 days of compliance with paragraph (a) or  
 465 receipt of a summons and complaint naming the insured as a  
 466 defendant, whichever is later, but in no case later than 30 days  
 467 before trial, the insurer:

468           1. Gives written notice to the named insured by United  
 469 States postal proof of mailing, registered or certified mail, or  
 470 other mailing using the Intelligent Mail barcode or other  
 471 similar tracking method used or approved by the United States  
 472 Postal Service of its refusal to defend the insured;

473           2. Obtains from the insured a nonwaiver agreement

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474 following full disclosure of the specific facts and policy  
475 provisions upon which the coverage defense is asserted and the  
476 duties, obligations, and liabilities of the insurer during and  
477 following the pendency of the subject litigation; or

478 3. Retains independent counsel which is mutually agreeable  
479 to the parties. Reasonable fees for the counsel may be agreed  
480 upon between the parties or, if no agreement is reached, shall  
481 be set by the court.

482 Section 14. Section 627.4555, Florida Statutes, is amended  
483 to read:

484 627.4555 Secondary notice.—

485 (1) Except as provided in this section, a contract for  
486 life insurance issued or issued for delivery in this state on or  
487 after October 1, 1997, covering a natural person 64 years of age  
488 or older, which has been in force for at least 1 year, may not  
489 be lapsed for nonpayment of premium unless, after expiration of  
490 the grace period, and at least 21 days before the effective date  
491 of any such lapse, the insurer has mailed a notification of the  
492 impending lapse in coverage to the policyowner and to a  
493 specified secondary addressee if such addressee has been  
494 designated in writing by name and address by the policyowner. An  
495 insurer issuing a life insurance contract on or after October 1,  
496 1997, shall notify the applicant of the right to designate a  
497 secondary addressee at the time of application for the policy,  
498 on a form provided by the insurer, and at any time the policy is

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499 | in force, by submitting a written notice to the insurer  
500 | containing the name and address of the secondary addressee. For  
501 | purposes of any life insurance policy that provides a grace  
502 | period of more than 51 days for nonpayment of premiums, the  
503 | notice of impending lapse in coverage required by this section  
504 | must be mailed to the policyowner and the secondary addressee at  
505 | least 21 days before the expiration of the grace period provided  
506 | in the policy. This section does not apply to any life insurance  
507 | contract under which premiums are payable monthly or more  
508 | frequently and are regularly collected by a licensed agent or  
509 | are paid by credit card or any preauthorized check processing or  
510 | automatic debit service of a financial institution.

511 | (2) If the policyowner has a life agent of record or any  
512 | agent of record, the insurer must also notify the agent of the  
513 | impending lapse in coverage or mail or send electronically a  
514 | copy of the notification of the impending lapse in coverage  
515 | under subsection (1) to the agent at least 21 days before the  
516 | effective date of any such lapse. Receipt of such notice does  
517 | not make the agent responsible for any lapse in coverage. An  
518 | insurer is not required to notify the agent under this  
519 | subsection if any of the following applies:

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

522 | (b) The insurer maintains a procedure that allows an agent  
523 | to independently determine whether the notice of lapse has been

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524 sent to the insured.

525 (c) The insurer has no record of the current agent of  
 526 record.

527 (d) The agent is employed by the insurer or an affiliate  
 528 of the insurer.

529 Section 15. Subsection (2) of section 627.7015, Florida  
 530 Statutes, is amended to read:

531 627.7015 Alternative procedure for resolution of disputed  
 532 property insurance claims.—

533 (2) At the time of issuance and renewal of a policy or at  
 534 the time a first-party claim within the scope of this section is  
 535 filed by the policyholder, the insurer shall notify the  
 536 policyholder of its right to participate in the mediation  
 537 program under this section. The department shall prepare a  
 538 consumer information pamphlet for distribution to persons  
 539 participating in mediation.

540 Section 16. Subsection (7) of section 627.7295, Florida  
 541 Statutes, is amended to read:

542 627.7295 Motor vehicle insurance contracts.—

543 (7) A policy of private passenger motor vehicle insurance  
 544 or a binder for such a policy may be initially issued in this  
 545 state only if, before the effective date of such binder or  
 546 policy, the insurer or agent has collected from the insured an  
 547 amount equal to at least 1 month's ~~2 months'~~ premium. An  
 548 insurer, agent, or premium finance company may not, directly or

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549 indirectly, take any action resulting in the insured having paid  
550 from the insured's own funds an amount less than the 1 month's ~~2~~  
551 ~~months'~~ premium required by this subsection. This subsection  
552 applies without regard to whether the premium is financed by a  
553 premium finance company or is paid pursuant to a periodic  
554 payment plan of an insurer or an insurance agent. This  
555 subsection does not apply if an insured or member of the  
556 insured's family is renewing or replacing a policy or a binder  
557 for such policy written by the same insurer or a member of the  
558 same insurer group. This subsection does not apply to an insurer  
559 that issues private passenger motor vehicle coverage primarily  
560 to active duty or former military personnel or their dependents.  
561 This subsection does not apply if all policy payments are paid  
562 pursuant to a payroll deduction plan, an automatic electronic  
563 funds transfer payment plan from the policyholder, or a  
564 recurring credit card or debit card agreement with the insurer.  
565 This subsection and subsection (4) do not apply if all policy  
566 payments to an insurer are paid pursuant to an automatic  
567 electronic funds transfer payment plan from an agent, a managing  
568 general agent, or a premium finance company and if the policy  
569 includes, at a minimum, personal injury protection pursuant to  
570 ss. 627.730-627.7405; motor vehicle property damage liability  
571 pursuant to s. 627.7275; and bodily injury liability in at least  
572 the amount of \$10,000 because of bodily injury to, or death of,  
573 one person in any one accident and in the amount of \$20,000

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574 | because of bodily injury to, or death of, two or more persons in  
575 | any one accident. This subsection and subsection (4) do not  
576 | apply if an insured has had a policy in effect for at least 6  
577 | months, the insured's agent is terminated by the insurer that  
578 | issued the policy, and the insured obtains coverage on the  
579 | policy's renewal date with a new company through the terminated  
580 | agent.

581 |       Section 17. Section 624.1055, Florida Statutes, as created  
582 | by this act, applies to any claim, suit, or other action  
583 | initiated on or after January 1, 2020.

584 |       Section 18. Except as otherwise expressly provided in this  
585 | act, this act shall take effect July 1, 2019.