

## **CS/HB 751 — Automatic Renewal of Service Contracts**

by Insurance, Business & Financial Affairs Policy Committee and Rep. McBurney (CS/SB 1332 by Commerce Committee; and Senators Justice, Gelber, Joyner, Lynn, Crist, Aronberg, and Wilson)

This bill requires clear and conspicuous disclosure of automatic renewal provisions in service contracts, if the provision renews a contract for more than one month, and if the provision causes the contract to be in effect more than 6 months after the contract was initiated.

If the length of the service contract is 12 months or more, and if the contract automatically renews for a period of more than 1 month, the provider must notify the consumer, in a clear and conspicuous manner, of the renewal and how to cancel the renewal “no less than 30 days and no more than 60 days before” the deadline provided in the service contract. The contract renewal is effective until the consumer terminates the service contract. The consumer must give the seller notice of his or her intent to terminate the contract.

This bill makes automatic renewal provisions void and unenforceable if any requirements of the bill are violated, except under certain circumstances.

This bill provides exemptions from the disclosure and notice requirements for financial institutions, health studios, licensed insurance providers, warranty associations, health care service organizations and programs, electric utilities, and private companies providing certain municipal services.

This bill creates an undesignated section of the Florida Statutes.

If approved by the Governor, these provisions take effect July 1, 2010, and apply only to contracts entered into after that date.

*Vote: Senate 33-1; House 111-0*