

1 A bill to be entitled
2 An act relating to insurance; amending s. 624.155,
3 F.S.; revising the circumstances under which civil
4 actions against insurers are prohibited; amending s.
5 626.914, F.S.; revising the definition of the term
6 "diligent effort," as used in the Surplus Lines Law;
7 amending s. 626.9541, F.S.; providing construction;
8 amending s. 627.0655, F.S.; revising the circumstances
9 under which certain insurance premium discounts are
10 authorized; amending s. 627.4555, F.S.; requiring life
11 insurers that are required to provide a specified
12 notice to policyowners of an impending lapse in
13 coverage to also notify the policyowner's agent of
14 record within a certain timeframe; providing that the
15 agent is not responsible for any lapse in coverage;
16 exempting the insurer from the requirement under
17 certain circumstances; amending s. 627.7015, F.S.;
18 revising the periods of time when property insurers
19 must notify policyholders of certain mediation
20 programs; providing an effective date.

21
22 Be It Enacted by the Legislature of the State of Florida:

23
24 Section 1. Paragraph (d) of subsection (3) of section
25 624.155, Florida Statutes, is amended, and subsection (1) of

26 | that section is republished, to read:

27 | 624.155 Civil remedy.—

28 | (1) Any person may bring a civil action against an insurer
29 | when such person is damaged:

30 | (a) By a violation of any of the following provisions by
31 | the insurer:

32 | 1. Section 626.9541(1)(i), (o), or (x);

33 | 2. Section 626.9551;

34 | 3. Section 626.9705;

35 | 4. Section 626.9706;

36 | 5. Section 626.9707; or

37 | 6. Section 627.7283.

38 | (b) By the commission of any of the following acts by the
39 | insurer:

40 | 1. Not attempting in good faith to settle claims when,
41 | under all the circumstances, it could and should have done so,
42 | had it acted fairly and honestly toward its insured and with due
43 | regard for her or his interests;

44 | 2. Making claims payments to insureds or beneficiaries not
45 | accompanied by a statement setting forth the coverage under
46 | which payments are being made; or

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

51 of the insurance policy coverage.

52

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

57 (3)

58 (d) No action shall lie if, within 60 days after filing
 59 notice:7

60 1. The damages are paid;

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

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

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

67 626.914 Definitions.—As used in this Surplus Lines Law,
 68 the term:

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

76 | documenting this rejection.

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

79 | 626.9541 Unfair methods of competition and unfair or
80 | deceptive acts or practices defined.—

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

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

89 | 627.0655 Policyholder loss or expense-related premium
90 | discounts.—An insurer or person authorized to engage in the
91 | business of insurance in this state may include, in the premium
92 | charged an insured for any policy, contract, or certificate of
93 | insurance, a discount based on the fact that another policy,
94 | contract, or certificate of any type has been purchased by the
95 | insured from:

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

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

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

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

107 Section 5. Section 627.4555, Florida Statutes, is amended
 108 to read:

109 627.4555 Secondary notice.—

110 (1) Except as provided in this section, a contract for
 111 life insurance issued or issued for delivery in this state on or
 112 after October 1, 1997, covering a natural person 64 years of age
 113 or older, which has been in force for at least 1 year, may not
 114 be lapsed for nonpayment of premium unless, after expiration of
 115 the grace period, and at least 21 days before the effective date
 116 of any such lapse, the insurer has mailed a notification of the
 117 impending lapse in coverage to the policyowner and to a
 118 specified secondary addressee if such addressee has been
 119 designated in writing by name and address by the policyowner. An
 120 insurer issuing a life insurance contract on or after October 1,
 121 1997, shall notify the applicant of the right to designate a
 122 secondary addressee at the time of application for the policy,
 123 on a form provided by the insurer, and at any time the policy is
 124 in force, by submitting a written notice to the insurer
 125 containing the name and address of the secondary addressee. For

126 purposes of any life insurance policy that provides a grace
127 period of more than 51 days for nonpayment of premiums, the
128 notice of impending lapse in coverage required by this section
129 must be mailed to the policyowner and the secondary addressee at
130 least 21 days before the expiration of the grace period provided
131 in the policy. This section does not apply to any life insurance
132 contract under which premiums are payable monthly or more
133 frequently and are regularly collected by a licensed agent or
134 are paid by credit card or any preauthorized check processing or
135 automatic debit service of a financial institution.

136 (2) If the policyowner has a life agent of record or any
137 agent of record, the insurer must also notify the agent of the
138 impending lapse in coverage or mail or send electronically a
139 copy of the notification of the impending lapse in coverage
140 under subsection (1) to the agent at least 21 days before the
141 effective date of such lapse. Receipt of such notice does not
142 make the agent responsible for any lapse in coverage. An insurer
143 is not required to notify the agent under this subsection if any
144 of the following applies:

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

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

149 (c) The agent is employed by the insurer or an affiliate
150 of the insurer.

151 Section 6. Subsection (2) of section 627.7015, Florida
152 Statutes, is amended to read:

153 627.7015 Alternative procedure for resolution of disputed
154 property insurance claims.—

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

162 Section 7. This act shall take effect July 1, 2019.