

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

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

51 policies; requiring such fees to be itemized before
 52 policy 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. This act may be cited as "Omnibus Prime."

75 Section 2. Effective upon this act becoming a law,

76 paragraph (b) of subsection (4) of section 215.555, Florida
 77 Statutes, is amended to read:

78 215.555 Florida Hurricane Catastrophe Fund.—

79 (4) REIMBURSEMENT CONTRACTS.—

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

87 2. The insurer must elect one of the percentage coverage
 88 levels specified in this paragraph and may, upon renewal of a
 89 reimbursement contract, elect a lower percentage coverage level
 90 if no revenue bonds issued under subsection (6) after a covered
 91 event are outstanding, or elect a higher percentage coverage
 92 level, regardless of whether or not revenue bonds are
 93 outstanding. All members of an insurer group must elect the same
 94 percentage coverage level. Any joint underwriting association,
 95 risk apportionment plan, or other entity created under s.
 96 627.351 must elect the 90-percent coverage level.

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

100 Section 3. Paragraph (b) of subsection (3) of section

101 319.30, Florida Statutes, is amended, and paragraph (d) is added
 102 to that subsection, to read:

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

105 (3)

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

124 1. Thirty days after payment of a claim for compensation
 125 pursuant to this paragraph, the insurance company may receive a

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

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

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

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

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

151 3. The request to the owner or lienholder for the
152 certificate of title must include a complete description of the
153 motor vehicle or mobile home and the statement that a total loss
154 claim has been paid on the motor vehicle or mobile home.

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

165 1. Level 2, for each level, for a certificate of
166 destruction.

167 2. Level 3, for each level, for a salvage certificate of
168 title.

169 Section 4. Subsection (2) of section 440.381, Florida
170 Statutes, is amended to read:

171 440.381 Application for coverage; reporting payroll;
172 payroll audit procedures; penalties.—

173 (2) Submission of an application that contains false,
174 misleading, or incomplete information provided with the purpose
175 of avoiding or reducing the amount of premiums for workers'

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

191 Section 5. Paragraph (e) of subsection (3) of section
 192 921.0022, Florida Statutes, is amended to read:

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

195 (3) OFFENSE SEVERITY RANKING CHART

196 (e) LEVEL 5

197

Florida	Felony	
Statute	Degree	Description

198

199	316.027 (2) (a)	3rd	Accidents involving personal injuries other than serious bodily injury, failure to stop; leaving scene.
200	316.1935 (4) (a)	2nd	Aggravated fleeing or eluding.
201	316.80 (2)	2nd	Unlawful conveyance of fuel; obtaining fuel fraudulently.
202	322.34 (6)	3rd	Careless operation of motor vehicle with suspended license, resulting in death or serious bodily injury.
203	327.30 (5)	3rd	Vessel accidents involving personal injury; leaving scene.
	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 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.

204

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

205

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

206

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

207

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

208

209	440.105 (5)	2nd	Unlawful solicitation for the purpose of making workers' compensation claims.
210	440.381 (2)	<u>3rd</u> 2nd	Submission of false, misleading, or incomplete information with the purpose of avoiding or reducing workers' compensation premiums.
211	624.401 (4) (b) 2.	2nd	Transacting insurance without a certificate or authority; premium collected \$20,000 or more but less than \$100,000.
212	626.902 (1) (c)	2nd	Representing an unauthorized insurer; repeat offender.
213	790.01 (2)	3rd	Carrying a concealed firearm.
214	790.162	2nd	Threat to throw or discharge destructive device.
	790.163 (1)	2nd	False report of bomb, explosive, weapon of mass

destruction, or use of firearms
in violent manner.

215

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

216

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

217

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

218

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

219

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

220

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

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.
228	817.2341(1),	3rd	Filing false financial

229	(2) (a) & (3) (a)		statements, making false entries of material fact or false statements regarding property values relating to the solvency of an insuring entity.
230	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.
231	817.611 (2) (a)	2nd	Traffic in or possess 5 to 14 counterfeit credit cards or related documents.
232	817.625 (2) (b)	2nd	Second or subsequent fraudulent use of scanning device, skimming device, or reencoder.
	825.1025 (4)	3rd	Lewd or lascivious exhibition

in the presence of an elderly person or disabled adult.

233

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

234

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

235

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

236

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.

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.
243			

244

893.13(1)(a)1. 2nd 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).

245

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.

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.

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>
249	893.1351(1)	3rd	<p>Ownership, lease, or rental for trafficking in or manufacturing</p>

of controlled substance.

250
251 Section 6. Section 624.1055, Florida Statutes, is created
252 to read:

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

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

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

272 (3) CONSTRUCTION.—

273 (a) This section is not intended to alter any terms of a

274 liability insurance policy or to create any additional duty on
 275 the part of a liability insurer to an insured.

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

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

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

288 Section 7. Subsection (3) of section 624.155, Florida
 289 Statutes, is amended to read:

290 624.155 Civil remedy.—

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

297 (b) The notice shall be on a form provided by the
 298 department and shall state with specificity the following

299 information, and such other information as the department may
 300 require:

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

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

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

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

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

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

323 (c)~~(d)~~ No action shall lie if, within 60 days after filing

324 notice, the damages are paid or the circumstances giving rise to
 325 the violation are corrected.

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

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

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

336 Section 8. Subsection (2) of section 624.404, Florida
 337 Statutes, is amended to read:

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

346 (2) A ~~No~~ foreign or alien insurer or exchange may not
 347 ~~shall~~ be authorized to transact insurance in this state unless
 348 it is otherwise qualified therefor under this code and has

349 operated satisfactorily for at least 3 years in its state or
 350 country of domicile; however, the office may waive the 3-year
 351 requirement if the foreign or alien insurer or exchange:

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

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

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

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

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

362 Section 9. Paragraphs (d) and (e) of subsection (2) of
 363 section 624.4085, Florida Statutes, are amended to read:

364 624.4085 Risk-based capital requirements for insurers.—

365 (2)

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

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

374 business; and

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

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

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

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

397 Section 10. Subsection (4) of section 626.914, Florida
398 Statutes, is amended to read:

399 626.914 Definitions.—As used in this Surplus Lines Law,
400 the term:

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

409 Section 11. Subsection (4) of section 626.916, Florida
410 Statutes, is amended, and subsection (5) is added to that
411 section, to read:

412 626.916 Eligibility for export.—

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

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

422 Section 12. Subsection (5) is added to section 626.9541,
423 Florida Statutes, to read:

424 626.9541 Unfair methods of competition and unfair or
425 deceptive acts or practices defined.—

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

432 Section 13. Section 627.0655, Florida Statutes, is amended
433 to read:

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

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

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

446 (3) An insurer that has removed the policy from the
447 Citizens Property Insurance Corporation or issued a policy
448 pursuant to the clearinghouse program under s. 627.3518, if the

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

452 Section 14. Subsection (2) of section 627.426, Florida
 453 Statutes, is amended to read:

454 627.426 Claims administration.—

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

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

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

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

474 2. Obtains from the insured a nonwaiver agreement
475 following full disclosure of the specific facts and policy
476 provisions upon which the coverage defense is asserted and the
477 duties, obligations, and liabilities of the insurer during and
478 following the pendency of the subject litigation; or

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

483 Section 15. Section 627.4555, Florida Statutes, is amended
484 to read:

485 627.4555 Secondary notice.—

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

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

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

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

523 (b) The insurer maintains a procedure that allows an agent

524 to independently determine whether the notice of lapse has been
525 sent to the insured.

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

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

530 Section 16. Subsection (2) of section 627.7015, Florida
531 Statutes, is amended to read:

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

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

541 Section 17. Subsection (7) of section 627.7295, Florida
542 Statutes, is amended to read:

543 627.7295 Motor vehicle insurance contracts.—

544 (7) A policy of private passenger motor vehicle insurance
545 or a binder for such a policy may be initially issued in this
546 state only if, before the effective date of such binder or
547 policy, the insurer or agent has collected from the insured an
548 amount equal to at least 1 month's ~~2 months'~~ premium. An

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

574 one person in any one accident and in the amount of \$20,000
575 because of bodily injury to, or death of, two or more persons in
576 any one accident. This subsection and subsection (4) do not
577 apply if an insured has had a policy in effect for at least 6
578 months, the insured's agent is terminated by the insurer that
579 issued the policy, and the insured obtains coverage on the
580 policy's renewal date with a new company through the terminated
581 agent.

582 Section 18. Section 624.1055, Florida Statutes, as created
583 by this act, applies to any claim, suit, or other action
584 initiated on or after January 1, 2020.

585 Section 19. Except as otherwise expressly provided in this
586 act, this act shall take effect July 1, 2019.