

1 A bill to be entitled
2 An act relating to insurance; amending s. 440.12, F.S.;
3 authorizing payment of workers' compensation benefits on a
4 prepaid card under certain circumstances; requiring the
5 keeping and furnishing, upon request, of certain records;
6 providing for the adoption of rules; amending s. 440.20,
7 F.S.; specifying when an insurer's obligation to pay
8 workers' compensation benefits is satisfied if payment is
9 made on a prepaid card; amending s. 624.402, F.S.;
10 providing an exemption from having to obtain a certificate
11 of authority to insurers that cover only nonresidents of
12 the United States under certain conditions; requiring such
13 insurers to provide certain documentation to the Office of
14 Insurance Regulation; requiring certificates, policies, or
15 contracts issued by such insurers to include a disclaimer
16 relating to the coverage provided; defining a
17 "nonresident" for purposes of applying the exemption
18 provided to such insurers from having to obtain a
19 certificate of authority; providing penalties applicable
20 to alien insurers who transact insurance without complying
21 with certain provisions; deleting procedures and
22 requirements relating to an exemption from obtaining a
23 certificate of authority provided to alien insurers who
24 issue life insurance policies and annuity contracts to
25 certain nonresidents; amending s. 624.424, F.S.; revising
26 the timeframes that limit how frequently an insurer may
27 use the same accountant or partner to prepare an annual
28 audited financial report; amending s. 626.207, F.S.;

29 | defining the term "financial services business";
30 | precluding licensure under the Florida Insurance Code of
31 | specified persons who commit specified offenses; providing
32 | application to convictions and certain pleas, regardless
33 | of adjudication; establishing waiting periods relating to
34 | other specified offenses during which time an applicant is
35 | disqualified for licensure; granting rulemaking authority
36 | to the Department of Financial Services relating to
37 | specific penalties against licensees; clarifying
38 | rulemaking authority relating to penalties against
39 | licensees; providing that specified statutory provisions
40 | prohibiting prior crimes from being a bar to employment
41 | are not applicable to applicants for licensure under the
42 | Florida Insurance Code; amending s. 626.8651, F.S.;
43 | revising requirements for a public adjuster apprentice
44 | license to include additional qualifying designations;
45 | amending s. 627.4133, F.S.; changing the designated person
46 | or persons who must be notified by an insurer from the
47 | "insured" to the "first-named insured" in situations
48 | involving the nonrenewal, renewal premium, cancellation,
49 | or termination of workers' compensation, employer
50 | liability, or certain property and casualty insurance
51 | coverage; specifying that the date of cancellation of a
52 | workers' compensation or employer's liability policy is
53 | the date of the insured's written request to cancel;
54 | amending s. 627.4137, F.S.; requiring a claimant's request
55 | concerning insurance coverage to be served upon the
56 | disclosing entity in a specified manner; amending s.

57 | 627.7277, F.S.; making a conforming change that specifies
58 | the "first-named insured" as the person who is to receive
59 | notification of a renewal premium; amending s. 627.728,
60 | F.S.; changing the designated person or persons who must
61 | be notified by an insurer from the "insured" to the
62 | "first-named insured" in certain situations involving the
63 | cancellation or nonrenewal of motor vehicle insurance
64 | coverage; making a conforming change that specifies the
65 | "first-named insured's insurance agent" as a person who is
66 | to receive certain notifications relating to motor vehicle
67 | insurance coverage; amending s. 627.7281, F.S.; making a
68 | conforming change that specifies the "first-named insured"
69 | as the person who is to receive notification of
70 | cancellation of motor vehicle insurance coverage; creating
71 | s. 634.1711, F.S.; authorizing a consumer to purchase a
72 | motor vehicle service agreement for a premium negotiated
73 | with the salesperson notwithstanding certain regulatory
74 | provisions relating to rebates and specified trade
75 | practices; providing that motor vehicle service agreement
76 | companies are responsible for establishing premium rates
77 | to ensure their solvency; amending s. 634.403, F.S.;
78 | exempting certain persons providing service warranties
79 | relating to consumer products from licensing requirements
80 | under certain circumstances; providing applicability;
81 | providing effective dates.

82 |
83 | Be It Enacted by the Legislature of the State of Florida:
84 |

85 Section 1. Subsection (1) of section 440.12, Florida
 86 Statutes, is amended to read:

87 440.12 Time for commencement and limits on weekly rate of
 88 compensation.—

89 (1) ~~No~~ Compensation is not ~~shall be~~ allowed for the first
 90 7 days of the disability, except for benefits provided under ~~for~~
 91 ~~in~~ s. 440.13. However, if the injury results in disability of
 92 more than 21 days, compensation shall be allowed from the
 93 commencement of the disability.

94 (a) All weekly compensation payments, except for the first
 95 payment, shall be paid by check or, if authorized by the
 96 employee, on a prepaid card pursuant to paragraph (b) or
 97 deposited directly into the employee's account at a financial
 98 institution. As used in this subsection, the term "financial
 99 institution" means a financial institution as defined in s.
 100 655.005(1)(h).

101 (b) Upon receipt of authorization by the employee as
 102 provided in paragraph (a), a carrier may use a prepaid card to
 103 deliver the payment of compensation to an employee if the
 104 employee is:

105 1. Provided with at least one means of accessing his or
 106 her entire compensation payment once per week without incurring
 107 fees;

108 2. Provided with the ability to make point-of-sale
 109 purchases without incurring fees from the financial institution
 110 issuing the prepaid card; and

111 3. Provided with the terms and conditions of the prepaid
 112 card program, including a description of any fees that may be

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113 assessed.

114 (c) Each carrier shall keep a record of all payments made
115 under this subsection, including the time and manner of such
116 payments, and shall furnish these records or a report based on
117 these records to the Division of Insurance Fraud and the
118 Division of Workers' Compensation, upon request.

119 (d) The department may adopt rules to administer this
120 section.

121 Section 2. Paragraph (a) of subsection (1) of section
122 440.20, Florida Statutes, is amended to read:

123 440.20 Time for payment of compensation and medical bills;
124 penalties for late payment.—

125 (1) (a) Unless it denies compensability or entitlement to
126 benefits, the carrier shall pay compensation directly to the
127 employee as required by ss. 440.14, 440.15, and 440.16, in
128 accordance with the obligations set forth in those such
129 sections. Upon receipt of the employee's authorization as
130 provided for in s. 440.12(1) (a) ~~If authorized by the employee,~~
131 the carrier's obligation to pay compensation directly to the
132 employee is satisfied when the carrier directly deposits, by
133 electronic transfer or other means, compensation into the
134 employee's account at a financial institution or onto a prepaid
135 card in accordance with s. 440.12(1). As used in this paragraph,
136 the term "financial institution" means a financial institution
137 as defined in s. 655.005(1) (h). Compensation by direct deposit
138 or through the use of a prepaid card is considered paid on the
139 date the funds become available for withdrawal by the employee.

140 Section 3. Subsection (8) of section 624.402, Florida
 141 Statutes, is amended to read:

142 624.402 Exceptions, certificate of authority required.—A
 143 certificate of authority shall not be required of an insurer
 144 with respect to:

145 (8) (a) An insurer domiciled outside the United States
 146 covering only persons who, at the time of issuance or renewal,
 147 are nonresidents of the United States if:

148 1. The insurer or any affiliated person as defined in s.
 149 624.04 under common ownership or control with the insurer does
 150 not solicit, sell, or accept application for any insurance
 151 policy or contract to be delivered or issued for delivery to any
 152 person in any state;

153 2. The insurer registers with the office via a letter of
 154 notification upon commencing business from this state;

155 3. The insurer provides the following information, in
 156 English, to the office annually by March 1:

157 a. The name of the insurer, the country of domicile, the
 158 address of the insurer's principal office and office in this
 159 state, the names of the owners of the insurer and their
 160 percentage of ownership, the names of the officers and directors
 161 of the insurer, the name, e-mail, and telephone number of a
 162 contact person for the insurer, and the number of individuals
 163 who are employed by the insurer or its affiliates in this state;

164 b. The lines of insurance and types of products offered by
 165 the insurer;

166 c. A statement from the applicable regulatory body of the
 167 insurer's domicile certifying that the insurer is licensed or

168 registered for those lines of insurance and types of products in
 169 that domicile; and

170 d. A copy of the filings required by the applicable
 171 regulatory body of the insurer's country of domicile in that
 172 country's official language or in English, if available;

173 4. All certificates, policies, or contracts issued in this
 174 state showing coverage under the insurer's policy include the
 175 following statement in a contrasting color and at least 10-point
 176 type: "The policy providing your coverage and the insurer
 177 providing this policy have not been approved by the Florida
 178 Office of Insurance Regulation"; and

179 5. In the event the insurer ceases to do business from
 180 this state, the insurer will provide written notification to the
 181 office within 30 days after cessation.

182 (b) For purposes of this subsection, "nonresident" means a
 183 person who resides in and maintains a physical place of domicile
 184 in a country other than the United States, which he or she
 185 recognizes as and intends to maintain as his or her permanent
 186 home. A nonresident does not include an unauthorized immigrant
 187 present in the United States. Notwithstanding any other
 188 provision of law, it is conclusively presumed, for purposes of
 189 this subsection, that a person is a resident of the United
 190 States if such person has:

191 1. Had his or her principal place of domicile in the
 192 United States for 180 days or more in the 365 days prior to
 193 issuance or renewal of the policy;

194 2. Registered to vote in any state;

195 3. Made a statement of domicile in any state; or

196 4. Filed for homestead tax exemption on property in any
 197 state.

198 (c) Subject to the limitations provided in this
 199 subsection, services, including those listed in s. 624.10, may
 200 be provided by the insurer or an affiliated person as defined in
 201 s. 624.04 under common ownership or control with the insurer.

202 (d) An alien insurer transacting insurance in this state
 203 without complying with this subsection shall be in violation of
 204 this chapter and subject to the penalties provided in s. 624.15.

205 ~~(a) Life insurance policies or annuity contracts issued by~~
 206 ~~an insurer domiciled outside the United States covering only~~
 207 ~~persons who, at the time of issuance, are not residents of the~~
 208 ~~United States and are not nonresidents illegally residing in the~~
 209 ~~United States, provided:~~

210 ~~1. The insurer must currently be an authorized insurer in~~
 211 ~~its country of domicile as to the kind or kinds of insurance~~
 212 ~~proposed to be offered and must have been such an insurer for~~
 213 ~~not fewer than the immediately preceding 3 years, or must be the~~
 214 ~~wholly owned subsidiary of such authorized insurer or must be~~
 215 ~~the wholly owned subsidiary of an already eligible authorized~~
 216 ~~insurer as to the kind or kinds of insurance proposed for a~~
 217 ~~period of not fewer than the immediately preceding 3 years.~~
 218 ~~However, the office may waive the 3-year requirement if the~~
 219 ~~insurer has operated successfully for a period of at least the~~
 220 ~~immediately preceding year and has capital and surplus of not~~
 221 ~~less than \$25 million.~~

222 ~~2. Before the office may grant eligibility, the requesting~~
 223 ~~insurer shall furnish the office with a duly authenticated copy~~

224 ~~of its current annual financial statement, in English, and with~~
225 ~~all monetary values therein expressed in United States dollars,~~
226 ~~at an exchange rate then-current and shown in the statement, in~~
227 ~~the case of statements originally made in the currencies of~~
228 ~~other countries, and with such additional information relative~~
229 ~~to the insurer as the office may request.~~

230 ~~3. The insurer must have and maintain surplus as to~~
231 ~~policyholders of not less than \$15 million. Any such surplus as~~
232 ~~to policyholders shall be represented by investments consisting~~
233 ~~of eligible investments for like funds of like domestic insurers~~
234 ~~under part II of chapter 625; however, any such surplus as to~~
235 ~~policyholders may be represented by investments permitted by the~~
236 ~~domestic regulator of such alien insurance company if such~~
237 ~~investments are substantially similar in terms of quality,~~
238 ~~liquidity, and security to eligible investments for like funds~~
239 ~~of like domestic insurers under part II of chapter 625.~~

240 ~~4. The insurer must be of good reputation as to the~~
241 ~~providing of service to its policyholders and the payment of~~
242 ~~losses and claims.~~

243 ~~5. To maintain eligibility, the insurer shall furnish the~~
244 ~~office within the time period specified in s. 624.424(1)(a) a~~
245 ~~duly authenticated copy of its current annual and quarterly~~
246 ~~financial statements, in English, and with all monetary values~~
247 ~~therein expressed in United States dollars, at an exchange rate~~
248 ~~then-current and shown in the statement, in the case of~~
249 ~~statements originally made in the currencies of other countries,~~
250 ~~and with such additional information relative to the insurer as~~
251 ~~the office may request.~~

252 ~~6. An insurer receiving eligibility under this subsection~~
 253 ~~shall agree to make its books and records pertaining to its~~
 254 ~~operations in this state available for inspection during normal~~
 255 ~~business hours upon request of the office.~~

256 ~~7. The insurer shall provide to the applicant for the~~
 257 ~~policy or contract a copy of the most recent quarterly financial~~
 258 ~~statements of the insurer providing, in clear and conspicuous~~
 259 ~~language:~~

260 ~~a. The date of organization of the insurer.~~

261 ~~b. The identity of and rating assigned by each recognized~~
 262 ~~insurance company rating organization that has rated the insurer~~
 263 ~~or, if applicable, that the insurer is unrated.~~

264 ~~c. That the insurer does not hold a certificate of~~
 265 ~~authority issued in this state and that the office does not~~
 266 ~~exercise regulatory oversight over the insurer.~~

267 ~~d. The identity and address of the regulatory authority~~
 268 ~~exercising oversight of the insurer.~~

269
 270 ~~This paragraph does not impose upon the office any duty or~~
 271 ~~responsibility to determine the actual financial condition or~~
 272 ~~claims practices of any unauthorized insurer, and the status of~~
 273 ~~eligibility, if granted by the office, indicates only that the~~
 274 ~~insurer appears to be financially sound and to have satisfactory~~
 275 ~~claims practices and that the office has no credible evidence to~~
 276 ~~the contrary.~~

277 ~~(b) If at any time the office has reason to believe that~~
 278 ~~an insurer issuing policies or contracts pursuant to this~~
 279 ~~subsection is insolvent or is in unsound financial condition,~~

280 ~~does not make reasonable prompt payment of benefits, or is no~~
 281 ~~longer eligible under the conditions specified in this~~
 282 ~~subsection, the office may conduct an examination or~~
 283 ~~investigation in accordance with s. 624.316, s. 624.3161, or s.~~
 284 ~~624.320 and, if the findings of such examination or~~
 285 ~~investigation warrant, may withdraw the eligibility of the~~
 286 ~~insurer to issue policies or contracts pursuant to this~~
 287 ~~subsection without having a certificate of authority issued by~~
 288 ~~the office.~~

289 ~~(c) This subsection does not provide an exception to the~~
 290 ~~agent licensure requirements of chapter 626. Any insurer issuing~~
 291 ~~policies or contracts pursuant to this subsection shall appoint~~
 292 ~~the agents that the insurer uses to sell such policies or~~
 293 ~~contracts as provided in chapter 626.~~

294 ~~(d) An insurer issuing policies or contracts pursuant to~~
 295 ~~this subsection is subject to part IX of chapter 626, Unfair~~
 296 ~~Insurance Trade Practices, and the office may take such actions~~
 297 ~~against the insurer for a violation as are provided in that~~
 298 ~~part.~~

299 ~~(e) Policies and contracts issued pursuant to this~~
 300 ~~subsection are not subject to the premium tax specified in s.~~
 301 ~~624.509.~~

302 ~~(f) Applications for life insurance coverage offered under~~
 303 ~~this subsection must contain, in contrasting color and not less~~
 304 ~~than 12-point type, the following statement on the same page as~~
 305 ~~the applicant's signature:~~

306
 307 ~~This policy is primarily governed by the laws of a~~

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308 ~~foreign country. As a result, all of the rating and~~
309 ~~underwriting laws applicable to policies filed in this~~
310 ~~state do not apply to this coverage, which may result~~
311 ~~in your premiums being higher than would be~~
312 ~~permissible under a Florida-approved policy. Any~~
313 ~~purchase of individual life insurance should be~~
314 ~~considered carefully, as future medical conditions may~~
315 ~~make it impossible to qualify for another individual~~
316 ~~life policy. If the insurer issuing your policy~~
317 ~~becomes insolvent, this policy is not covered by the~~
318 ~~Florida Life and Health Insurance Guaranty~~
319 ~~Association. For information concerning individual~~
320 ~~life coverage under a Florida-approved policy, consult~~
321 ~~your agent or the Florida Department of Financial~~
322 ~~Services.~~

323
324 ~~(g) All life insurance policies and annuity contracts~~
325 ~~issued pursuant to this subsection must contain on the first~~
326 ~~page of the policy or contract, in contrasting color and not~~
327 ~~less than 10-point type, the following statement:~~

328
329 ~~The benefits of the policy providing your coverage are~~
330 ~~governed primarily by the law of a country other than~~
331 ~~the United States.~~

332
333 ~~(h) All single-premium life insurance policies and single-~~
334 ~~premium annuity contracts issued to persons who are not~~
335 ~~residents of the United States and are not nonresidents~~

336 ~~illegally residing in the United States pursuant to this~~
 337 ~~subsection shall be subject to the provisions of chapter 896.~~

338 Section 4. Paragraph (d) of subsection (8) of section
 339 624.424, Florida Statutes, is amended to read:

340 624.424 Annual statement and other information.—

341 (8)

342 (d) An insurer may not use the same accountant or partner
 343 of an accounting firm responsible for preparing the report
 344 required by this subsection for more than 5 ~~7~~ consecutive years.
 345 Following this period, the insurer may not use such accountant
 346 or partner for a period of 5 ~~2~~ years, but may use another
 347 accountant or partner of the same firm. An insurer may request
 348 the office to waive this prohibition based upon an unusual
 349 hardship to the insurer and a determination that the accountant
 350 is exercising independent judgment that is not unduly influenced
 351 by the insurer considering such factors as the number of
 352 partners, expertise of the partners or the number of insurance
 353 clients of the accounting firm; the premium volume of the
 354 insurer; and the number of jurisdictions in which the insurer
 355 transacts business.

356 Section 5. Effective upon this act becoming a law, section
 357 626.207, Florida Statutes, is amended to read:

358 626.207 Disqualification of applicants and licensees;
 359 penalties against licensees; rulemaking authority ~~Department~~
 360 ~~rulemaking authority; waiting periods for applicants; penalties~~
 361 ~~against licensees.~~—

362 (1) For purposes of this section, the term "financial
 363 services business" means any financial activity regulated by the

364 Department of Financial Services, the Office of Insurance
 365 Regulation, or the Office of Financial Regulation. The
 366 ~~department shall adopt rules establishing specific waiting~~
 367 ~~periods for applicants to become eligible for licensure~~
 368 ~~following denial, suspension, or revocation pursuant to s.~~
 369 ~~626.611, s. 626.621, s. 626.8437, s. 626.844, s. 626.935, s.~~
 370 ~~634.181, s. 634.191, s. 634.320, s. 634.321, s. 634.422, s.~~
 371 ~~634.423, s. 642.041, or s. 642.043. The purpose of the waiting~~
 372 ~~periods is to provide sufficient time to demonstrate reformation~~
 373 ~~of character and rehabilitation. The waiting periods shall vary~~
 374 ~~based on the type of conduct and the length of time since the~~
 375 ~~conduct occurred and shall also be based on the probability that~~
 376 ~~the propensity to commit illegal conduct has been overcome. The~~
 377 ~~waiting periods may be adjusted based on aggravating and~~
 378 ~~mitigating factors established by rule and consistent with this~~
 379 ~~purpose.~~

380 (2) For purposes of this section, the terms "felony of the
 381 first degree" and "capital felony" include all felonies
 382 designated as such by the Florida Statutes, as well as any
 383 felony so designated in the jurisdiction in which the plea is
 384 entered or judgment is rendered.

385 (3) An applicant who commits a felony of the first degree,
 386 a capital felony, a felony involving money laundering, fraud, or
 387 embezzlement, or a felony directly related to the financial
 388 services business is permanently barred from applying for a
 389 license under this part. This bar applies to convictions, guilty
 390 pleas, or nolo contendere pleas, regardless of adjudication, by
 391 any applicant, officer, director, majority owner, partner,

392 manager, or other person who manages or controls any applicant.

393 (4) For all other crimes not included in subsection (3),
 394 the department shall adopt rules establishing the process and
 395 application of disqualifying periods that include:

396 (a) A 15-year disqualifying period for all felonies
 397 involving moral turpitude that are not specifically included in
 398 the permanent bar contained in subsection (3).

399 (b) A 7-year disqualifying period for all felonies to
 400 which neither the permanent bar in subsection (3) nor the 15-
 401 year disqualifying period in paragraph (a) applies.

402 (c) A 7-year disqualifying period for all misdemeanors
 403 directly related to the financial services business.

404 (5) The department shall adopt rules providing for
 405 additional disqualifying periods due to the commitment of
 406 multiple crimes and other factors reasonably related to the
 407 applicant's criminal history. The rules shall provide for
 408 mitigating and aggravating factors. However, mitigation may not
 409 result in a period of disqualification of less than 7 years and
 410 may not mitigate the disqualifying periods in paragraphs (4) (b)
 411 and (c).

412 (6) For purposes of this section, the disqualifying
 413 periods begin upon the applicant's final release from
 414 supervision or upon completion of the applicant's criminal
 415 sentence, including payment of fines, restitution, and court
 416 costs for the crime for which the disqualifying period applies.

417 (7) After the disqualifying period has been met, the
 418 burden is on the applicant to demonstrate that the applicant has
 419 been rehabilitated, does not pose a risk to the insurance-buying

420 public, is fit and trustworthy to engage in the business of
 421 insurance pursuant to s. 626.611(7), and is otherwise qualified
 422 for licensure.

423 (8)~~(2)~~ The department shall adopt rules establishing
 424 specific penalties against licensees in accordance with ss.
 425 626.641 and 626.651 for violations of s. 626.611, s. 626.621, s.
 426 626.8437, s. 626.844, s. 626.935, s. 634.181, s. 634.191, s.
 427 634.320, s. 634.321, s. 634.422, s. 634.423, s. 642.041, or s.
 428 642.043. The purpose of the revocation or suspension is to
 429 provide a sufficient penalty to deter future violations of the
 430 Florida Insurance Code. The imposition of a revocation or the
 431 length of suspension shall be based on the type of conduct and
 432 the probability that the propensity to commit further illegal
 433 conduct has been overcome at the time of eligibility for
 434 relicensure. The ~~revocation or the~~ length of suspension may be
 435 adjusted based on aggravating or mitigating factors, established
 436 by rule and consistent with this purpose.

437 (9) Section 112.011 does not apply to any applicants for
 438 licensure under the Florida Insurance Code, including, but not
 439 limited to, agents, agencies, adjusters, adjusting firms,
 440 customer representatives, or managing general agents.

441 Section 6. Subsection (4) of section 626.8651, Florida
 442 Statutes, is amended to read:

443 626.8651 Public adjuster apprentice license;
 444 qualifications.—

445 (4) An applicant must have received designation as an
 446 Accredited Claims Adjuster (ACA), as a Certified Adjuster (CA),
 447 or as a Certified Claims Adjuster (CCA) after completion of

448 training that qualifies the applicant to engage in the business
 449 of a public adjuster apprentice fairly and without injury to the
 450 public. Such training and instruction must address adjusting
 451 damages and losses under insurance contracts, the terms and
 452 effects of insurance contracts, and knowledge of the laws of
 453 this state relating to insurance contracts.

454 Section 7. Paragraphs (a) and (b) of subsection (1),
 455 paragraphs (a) and (b) of subsection (2), and subsection (4) of
 456 section 627.4133, Florida Statutes, are amended to read:

457 627.4133 Notice of cancellation, nonrenewal, or renewal
 458 premium.—

459 (1) Except as provided in subsection (2):

460 (a) An insurer issuing a policy providing coverage for
 461 workers' compensation and employer's liability insurance,
 462 property, casualty, except mortgage guaranty, surety, or marine
 463 insurance, other than motor vehicle insurance subject to s.
 464 627.728, shall give the first-named ~~named~~ insured at least 45
 465 days' advance written notice of nonrenewal or of the renewal
 466 premium. If the policy is not to be renewed, the written notice
 467 shall state the reason or reasons as to why the policy is not to
 468 be renewed. This requirement applies only if the insured has
 469 furnished all of the necessary information so as to enable the
 470 insurer to develop the renewal premium prior to the expiration
 471 date of the policy to be renewed.

472 (b) An insurer issuing a policy providing coverage for
 473 property, casualty, except mortgage guaranty, surety, or marine
 474 insurance, other than motor vehicle insurance subject to s.
 475 627.728 or s. 627.7281, shall give the first-named ~~named~~ insured

476 written notice of cancellation or termination other than
477 nonrenewal at least 45 days prior to the effective date of the
478 cancellation or termination, including in the written notice the
479 reason or reasons for the cancellation or termination, except
480 that:

481 1. When cancellation is for nonpayment of premium, at
482 least 10 days' written notice of cancellation accompanied by the
483 reason therefor shall be given. As used in this subparagraph and
484 s. 440.42(3), the term "nonpayment of premium" means failure of
485 the named insured to discharge when due any of her or his
486 obligations in connection with the payment of premiums on a
487 policy or any installment of such premium, whether the premium
488 is payable directly to the insurer or its agent or indirectly
489 under any premium finance plan or extension of credit, or
490 failure to maintain membership in an organization if such
491 membership is a condition precedent to insurance coverage.
492 "Nonpayment of premium" also means the failure of a financial
493 institution to honor an insurance applicant's check after
494 delivery to a licensed agent for payment of a premium, even if
495 the agent has previously delivered or transferred the premium to
496 the insurer. If a dishonored check represents the initial
497 premium payment, the contract and all contractual obligations
498 shall be void ab initio unless the nonpayment is cured within
499 the earlier of 5 days after actual notice by certified mail is
500 received by the applicant or 15 days after notice is sent to the
501 applicant by certified mail or registered mail, and if the
502 contract is void, any premium received by the insurer from a
503 third party shall be refunded to that party in full; and

504 2. When such cancellation or termination occurs during the
 505 first 90 days during which the insurance is in force and the
 506 insurance is canceled or terminated for reasons other than
 507 nonpayment of premium, at least 20 days' written notice of
 508 cancellation or termination accompanied by the reason therefor
 509 shall be given except where there has been a material
 510 misstatement or misrepresentation or failure to comply with the
 511 underwriting requirements established by the insurer.

512
 513 After the policy has been in effect for 90 days, no such policy
 514 shall be canceled by the insurer except when there has been a
 515 material misstatement, a nonpayment of premium, a failure to
 516 comply with underwriting requirements established by the insurer
 517 within 90 days of the date of effectuation of coverage, or a
 518 substantial change in the risk covered by the policy or when the
 519 cancellation is for all insureds under such policies for a given
 520 class of insureds. This subsection does not apply to
 521 individually rated risks having a policy term of less than 90
 522 days.

523 (2) With respect to any personal lines or commercial
 524 residential property insurance policy, including, but not
 525 limited to, any homeowner's, mobile home owner's, farmowner's,
 526 condominium association, condominium unit owner's, apartment
 527 building, or other policy covering a residential structure or
 528 its contents:

529 (a) The insurer shall give the first-named ~~named~~ insured
 530 at least 45 days' advance written notice of the renewal premium.

531 (b) The insurer shall give the first-named ~~named~~ insured

532 written notice of nonrenewal, cancellation, or termination at
533 least 100 days prior to the effective date of the nonrenewal,
534 cancellation, or termination. However, the insurer shall give at
535 least 100 days' written notice, or written notice by June 1,
536 whichever is earlier, for any nonrenewal, cancellation, or
537 termination that would be effective between June 1 and November
538 30. The notice must include the reason or reasons for the
539 nonrenewal, cancellation, or termination, except that:

540 1. The insurer shall give the first-named ~~named~~ insured
541 written notice of nonrenewal, cancellation, or termination at
542 least 180 days prior to the effective date of the nonrenewal,
543 cancellation, or termination for a first-named ~~named~~ insured
544 whose residential structure has been insured by that insurer or
545 an affiliated insurer for at least a 5-year period immediately
546 prior to the date of the written notice.

547 2. When cancellation is for nonpayment of premium, at
548 least 10 days' written notice of cancellation accompanied by the
549 reason therefor shall be given. As used in this subparagraph,
550 the term "nonpayment of premium" means failure of the named
551 insured to discharge when due any of her or his obligations in
552 connection with the payment of premiums on a policy or any
553 installment of such premium, whether the premium is payable
554 directly to the insurer or its agent or indirectly under any
555 premium finance plan or extension of credit, or failure to
556 maintain membership in an organization if such membership is a
557 condition precedent to insurance coverage. "Nonpayment of
558 premium" also means the failure of a financial institution to
559 honor an insurance applicant's check after delivery to a

560 licensed agent for payment of a premium, even if the agent has
561 previously delivered or transferred the premium to the insurer.
562 If a dishonored check represents the initial premium payment,
563 the contract and all contractual obligations shall be void ab
564 initio unless the nonpayment is cured within the earlier of 5
565 days after actual notice by certified mail is received by the
566 applicant or 15 days after notice is sent to the applicant by
567 certified mail or registered mail, and if the contract is void,
568 any premium received by the insurer from a third party shall be
569 refunded to that party in full.

570 3. When such cancellation or termination occurs during the
571 first 90 days during which the insurance is in force and the
572 insurance is canceled or terminated for reasons other than
573 nonpayment of premium, at least 20 days' written notice of
574 cancellation or termination accompanied by the reason therefor
575 shall be given except where there has been a material
576 misstatement or misrepresentation or failure to comply with the
577 underwriting requirements established by the insurer.

578 4. The requirement for providing written notice of
579 nonrenewal by June 1 of any nonrenewal that would be effective
580 between June 1 and November 30 does not apply to the following
581 situations, but the insurer remains subject to the requirement
582 to provide such notice at least 100 days prior to the effective
583 date of nonrenewal:

584 a. A policy that is nonrenewed due to a revision in the
585 coverage for sinkhole losses and catastrophic ground cover
586 collapse pursuant to s. 627.706, as amended by s. 30, chapter
587 2007-1, Laws of Florida.

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588 b. A policy that is nonrenewed by Citizens Property
589 Insurance Corporation, pursuant to s. 627.351(6), for a policy
590 that has been assumed by an authorized insurer offering
591 replacement or renewal coverage to the policyholder.

592
593 After the policy has been in effect for 90 days, the policy
594 shall not be canceled by the insurer except when there has been
595 a material misstatement, a nonpayment of premium, a failure to
596 comply with underwriting requirements established by the insurer
597 within 90 days of the date of effectuation of coverage, or a
598 substantial change in the risk covered by the policy or when the
599 cancellation is for all insureds under such policies for a given
600 class of insureds. This paragraph does not apply to individually
601 rated risks having a policy term of less than 90 days.

602 (4) Notwithstanding ~~the provisions of~~ s. 440.42(3), if
603 cancellation of a policy providing coverage for workers'
604 compensation and employer's liability insurance is requested in
605 writing by the insured, such cancellation shall be effective on
606 the date requested by the insured or, if no date is specified by
607 the insured, cancellation shall be effective on the date of the
608 written request. The carrier is not required to send notice of
609 cancellation to the insured if the cancellation is requested in
610 writing by the insured ~~the carrier sends the notice of~~
611 ~~cancellation to the insured~~. Any retroactive assumption of
612 coverage and liabilities under a policy providing workers'
613 compensation and employer's liability insurance may not exceed
614 21 days.

615 Section 8. Subsection (3) is added to section 627.4137,

616 Florida Statutes, to read:

617 627.4137 Disclosure of certain information required.—

618 (3) Any request made to a self-insured corporation
 619 pursuant to this section shall be sent by certified mail to the
 620 registered agent of the disclosing entity.

621 Section 9. Subsection (2) of section 627.7277, Florida
 622 Statutes, is amended to read:

623 627.7277 Notice of renewal premium.—

624 (2) An insurer shall mail or deliver to the first-named
 625 insured ~~its policyholder~~ at least 30 days' advance written
 626 notice of the renewal premium for the policy.

627 Section 10. Paragraph (a) of subsection (3), paragraphs
 628 (a) and (d) of subsection (4), and subsections (5) and (6) of
 629 section 627.728, Florida Statutes, are amended to read:

630 627.728 Cancellations; nonrenewals.—

631 (3) (a) No notice of cancellation of a policy to which this
 632 section applies shall be effective unless mailed or delivered by
 633 the insurer to the first-named ~~named~~ insured and to the first-
 634 named ~~named~~ insured's insurance agent at least 45 days prior to
 635 the effective date of cancellation, except that, when
 636 cancellation is for nonpayment of premium, at least 10 days'
 637 notice of cancellation accompanied by the reason therefor shall
 638 be given. No notice of cancellation of a policy to which this
 639 section applies shall be effective unless the reason or reasons
 640 for cancellation accompany the notice of cancellation.

641 (4) (a) No insurer shall fail to renew a policy unless it
 642 mails or delivers to the first-named ~~named~~ insured, at the
 643 address shown in the policy, and to the first-named ~~named~~

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644 insured's insurance agent at her or his business address, at
 645 least 45 days' advance notice of its intention not to renew; and
 646 the reasons for refusal to renew must accompany such notice.

647 This subsection does not apply:

- 648 1. If the insurer has manifested its willingness to renew;
- 649 or
- 650 2. In case of nonpayment of premium.

651
 652 Notwithstanding the failure of an insurer to comply with this
 653 subsection, the policy shall terminate on the effective date of
 654 any other automobile liability insurance policy procured by the
 655 insured with respect to any automobile designated in both
 656 policies. Unless a written explanation for refusal to renew
 657 accompanies the notice of intention not to renew, the policy
 658 shall remain in full force and effect.

659 (d) Instead of canceling or nonrenewing a policy, an
 660 insurer may, upon expiration of the policy term, transfer a
 661 policy to another insurer under the same ownership or management
 662 as the transferring insurer, by giving the first-named ~~named~~
 663 insured at least 45 days' advance notice of its intent to
 664 transfer the policy and of the premium and the specific reasons
 665 for any increase in the premium.

666 (5) United States postal proof of mailing or certified or
 667 registered mailing of notice of cancellation, of intention not
 668 to renew, or of reasons for cancellation, or of the intention of
 669 the insurer to issue a policy by an insurer under the same
 670 ownership or management, to the first-named ~~named~~ insured at the
 671 address shown in the policy shall be sufficient proof of notice.

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672 (6) When a policy is canceled, other than for nonpayment
 673 of premium, or in the event of failure to renew a policy to
 674 which subsection (4) applies, the insurer shall notify the
 675 first-named ~~named~~ insured of her or his possible eligibility for
 676 insurance through the Automobile Joint Underwriting Association.
 677 Such notice shall accompany or be included in the notice of
 678 cancellation or the notice of intent not to renew and shall
 679 state that such notice of availability of the Automobile Joint
 680 Underwriting Association is given pursuant to this section.

681 Section 11. Section 627.7281, Florida Statutes, is amended
 682 to read:

683 627.7281 Cancellation notice.—An insurer issuing a policy
 684 of motor vehicle insurance not covered under the cancellation
 685 provisions of s. 627.728 shall give the first-named ~~named~~
 686 insured notice of cancellation at least 45 days prior to the
 687 effective date of cancellation, except that, when cancellation
 688 is for nonpayment of premium, at least 10 days' notice of
 689 cancellation accompanied by the reason therefor shall be given.
 690 As used in this section, "policy" does not include a binder as
 691 defined in s. 627.420 unless the duration of the binder period
 692 exceeds 60 days.

693 Section 12. Section 634.1711, Florida Statutes, is created
 694 to read:

695 634.1711 Premium payable.—Notwithstanding ss. 634.1815 and
 696 634.282(6), (7), and (13), a consumer may purchase a service
 697 agreement for a premium amount negotiated with the salesperson.
 698 The service agreement company is responsible for establishing
 699 minimum premium rates to ensure its solvency under this part.

700 Other than as stated in this section, no other terms or
 701 conditions of the service agreement may be revised, amended, or
 702 changed by the salesperson.

703 Section 13. Section 634.403, Florida Statutes, is amended
 704 to read:

705 634.403 License required; exemptions.-

706 (1) No person in this state shall provide or offer to
 707 provide service warranties to residents of this state unless
 708 authorized therefor under a subsisting license issued by the
 709 office. The service warranty association shall pay to the office
 710 a license fee of \$200 for such license for each license year, or
 711 part thereof, the license is in force.

712 (2) An insurer, while authorized to transact property or
 713 casualty insurance in this state, may also transact a service
 714 warranty business without additional qualifications or
 715 authority, but shall be otherwise subject to the applicable
 716 provisions of this part.

717 (3) The office may, pursuant to s. 120.569, in its
 718 discretion and without advance notice and hearing, issue an
 719 immediate final order to cease and desist to any person or
 720 entity which violates this section. The Legislature finds that a
 721 violation of this section constitutes an imminent and immediate
 722 threat to the public health, safety, and welfare of the
 723 residents of this state.

724 (4) Any person that is an affiliate of a domestic insurer
 725 as defined in chapter 624 is exempt from application of this
 726 part if the person does not issue, or market or cause to be
 727 marketed, service warranties to residents of this state and does

728 | not administer service warranties that were originally issued to
 729 | residents of this state. The domestic insurer or its wholly
 730 | owned Florida licensed insurer must be the direct obligor of all
 731 | service warranties issued by such affiliate or must issue a
 732 | contractual liability insurance policy to such affiliate that
 733 | meets the conditions described in s. 634.406(3). If the Office
 734 | of Insurance Regulation determines, after notice and opportunity
 735 | for a hearing, that a person's intentional business practices do
 736 | not comply with any of the exemption requirements of this
 737 | subsection, the person shall be subject to this part.

738 | (5) A person is exempt from the license requirement in
 739 | this section if the person complies with the following:

740 | (a) The service warranties are only sold to nonresidents
 741 | of this state and the person does not issue, market, or cause to
 742 | be marketed service warranties to residents of this state and
 743 | does not administer service warranties that were originally
 744 | issued to residents of this state.

745 | (b) The person submits a letter of notification that
 746 | provides the following information to the office upon the start
 747 | of business from this state and annually thereafter by March 1:

748 | 1. The type of products offered and a statement certifying
 749 | that the products are not regulated in the state in which the
 750 | person is transacting business or that the person is licensed in
 751 | the state in which the person is transacting business.

752 | 2. The name of the person, the state of domicile, the home
 753 | address and address in this state of the person, the names of
 754 | the owners and their percentage of ownership, the names of the
 755 | officers and directors, the name, e-mail, and telephone number

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756 of a contact person, the states in which the person is
757 transacting business, and how many individuals are employed in
758 this state.

759 (c) If the person ceases to do business from this state,
760 the person shall provide written notification to the office
761 within 30 days after cessation of business.

762 (6)~~(5)~~ Any person who provides, offers to provide, or
763 holds oneself out as providing or offering to provide a service
764 warranty to residents of ~~in~~ this state ~~or from this state~~
765 without holding a subsisting license commits, in addition to any
766 other violation, a misdemeanor of the first degree, punishable
767 as provided in s. 775.082 or s. 775.083.

768 Section 14. The amendments to s. 626.207, Florida
769 Statutes, made by this act do not apply retroactively and apply
770 only to applicants whose applications are pending or submitted
771 on or after the date that the amendments to s. 626.207, Florida
772 Statutes, made by this act become law. This section shall take
773 effect upon this act becoming a law.

774 Section 15. Except as otherwise expressly provided in this
775 act and except for this section, which shall take effect upon
776 this act becoming a law, this act shall take effect July 1,
777 2011.