



1 A bill to be entitled
2 An act relating to automobile insurance; amending s.
3 627.0651, F.S.; providing an exception to a provision
4 that deems use of a single zip code as a rating
5 territory for insurance rates to be unfairly
6 discriminatory; requiring the Office of Insurance
7 Regulation to ensure that rates or rate changes
8 contained in certain rate filings are not excessive,
9 inadequate, or unfairly discriminatory; amending s.
10 627.311, F.S.; authorizing the Florida Automobile
11 Joint Underwriting Association and a joint
12 underwriting plan approved by the Office of Insurance
13 Regulation to cancel personal lines or commercial
14 policies within a specified time for nonpayment of
15 premium due to certain reasons; prohibiting an insured
16 from cancelling a policy or binder within a specified
17 time except under certain conditions; amending s.
18 627.7283, F.S.; authorizing an insured who cancels a
19 policy to apply the unearned portion of any premium
20 paid to unpaid balances of other policies with the
21 same insurer or insurer group; amending s. 627.7295,
22 F.S.; updating applicability language to include a
23 reference to recurring credit card or debit card
24 payments; authorizing additional forms of premium
25 payment for motor vehicle insurance contracts;
26 authorizing insurers to charge an insufficient funds



27 fee of up to a specified amount; amending s. 627.744,
28 F.S.; requiring the Division of Insurance Fraud of the
29 Department of Financial Services to provide a report
30 on the required preinsurance inspection of private
31 passenger motor vehicles; specifying data to be
32 included in the report; authorizing the Legislature to
33 use specified data in determining the future public
34 necessity for specified provisions; amending s.
35 627.736, F.S.; requiring that a certain standard form
36 be approved by the office and adopted by the Financial
37 Services Commission, rather than approved by the
38 office or adopted by the commission; revising
39 standards for compliance for specified billings for
40 medical services; specifying additional entities that
41 may receive reimbursement under the Florida Motor
42 Vehicle No-Fault Law regardless of whether they meet a
43 specified licensure requirement; providing an
44 effective date.

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46 Be It Enacted by the Legislature of the State of Florida:

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48 Section 1. Subsection (8) of section 627.0651, Florida
49 Statutes, is amended to read:

50 627.0651 Making and use of rates for motor vehicle
51 insurance.—

52 (8) Rates are not unfairly discriminatory if averaged



53 broadly among members of a group; nor are rates unfairly
54 discriminatory even though they are lower than rates for
55 nonmembers of the group. However, such rates are unfairly
56 discriminatory if they are not actuarially measurable and
57 credible and sufficiently related to actual or expected loss and
58 expense experience of the group so as to assure that nonmembers
59 of the group are not unfairly discriminated against. Use of a
60 single United States Postal Service zip code as a rating
61 territory shall be deemed unfairly discriminatory unless filed
62 pursuant to paragraph (1) (a) and the justification for its rate
63 incorporates sufficient actual or expected loss and loss
64 adjustment expense experience so as to be actuarially sound. The
65 office shall require that any rate filing resulting from the use
66 of a single zip code as a rating territory does not contain a
67 rate or rate change that is excessive, inadequate, or unfairly
68 discriminatory.

69 Section 2. Paragraph (m) is added to subsection (3) of
70 section 627.311, Florida Statutes, to read:

71 627.311 Joint underwriters and joint reinsurers; public
72 records and public meetings exemptions.—

73 (3) The office may, after consultation with insurers
74 licensed to write automobile insurance in this state, approve a
75 joint underwriting plan for purposes of equitable apportionment
76 or sharing among insurers of automobile liability insurance and
77 other motor vehicle insurance, as an alternate to the plan
78 required in s. 627.351(1). All insurers authorized to write



79 automobile insurance in this state shall subscribe to the plan
80 and participate therein. The plan shall be subject to continuous
81 review by the office which may at any time disapprove the entire
82 plan or any part thereof if it determines that conditions have
83 changed since prior approval and that in view of the purposes of
84 the plan changes are warranted. Any disapproval by the office
85 shall be subject to the provisions of chapter 120. The Florida
86 Automobile Joint Underwriting Association is created under the
87 plan. The plan and the association:

88 (m) May cancel personal lines or commercial policies
89 issued by the plan within the first 60 days after the effective
90 date of the policy or binder for nonpayment of premium if the
91 check issued for payment of the premium is dishonored for any
92 reason or if any other form of payment is rejected or deemed
93 invalid. An insured may not cancel a policy or binder within the
94 first 90 days after its effective date, or within a lesser
95 period as required by the plan, except:

- 96 1. Upon total destruction of the insured motor vehicle;
97 2. Upon transfer of ownership of the insured motor
98 vehicle; or
99 3. After purchase of another policy or binder covering the
100 motor vehicle that was covered under the policy being canceled.

101 Section 3. Subsections (1), (2), and (3) of section
102 627.7283, Florida Statutes, are amended to read:

103 627.7283 Cancellation; return of unearned premium.—

- 104 (1) If the insured cancels a policy of motor vehicle



105 insurance, the insurer must mail or electronically transfer the
106 unearned portion of any premium paid within 30 days after the
107 effective date of the policy cancellation or receipt of notice
108 or request for cancellation, whichever is later. This
109 requirement applies to a cancellation initiated by an insured
110 for any reason. However, the insured may elect to apply the
111 unearned portion of any premium paid to unpaid balances of other
112 policies with the same insurer or insurer group.

113 (2) If an insurer cancels a policy of motor vehicle
114 insurance, the insurer must mail or electronically transfer the
115 unearned premium portion of any premium within 15 days after the
116 effective date of the policy cancellation. However, the insured
117 may elect to apply the unearned portion of any premium paid to
118 unpaid balances of other policies with the same insurer or
119 insurer group.

120 (3) If the unearned premium is not mailed, ~~or~~
121 electronically transferred, or applied to the unpaid balance of
122 other policies within the applicable period, the insurer must
123 pay to the insured 8 percent interest on the amount due. If the
124 unearned premium is not mailed or electronically transferred
125 within 45 days after the applicable period, the insured may
126 bring an action against the insurer pursuant to s. 624.155.

127 Section 4. Subsection (7) of section 627.7295, Florida
128 Statutes, is amended, and subsection (9) is added to that
129 section, to read:

130 627.7295 Motor vehicle insurance contracts.—



131 (7) A policy of private passenger motor vehicle insurance
132 or a binder for such a policy may be initially issued in this
133 state only if, before the effective date of such binder or
134 policy, the insurer or agent has collected from the insured an
135 amount equal to 2 months' premium. An insurer, agent, or premium
136 finance company may not, directly or indirectly, take any action
137 resulting in the insured having paid from the insured's own
138 funds an amount less than the 2 months' premium required by this
139 subsection. This subsection applies without regard to whether
140 the premium is financed by a premium finance company or is paid
141 pursuant to a periodic payment plan of an insurer or an
142 insurance agent. This subsection does not apply if an insured or
143 member of the insured's family is renewing or replacing a policy
144 or a binder for such policy written by the same insurer or a
145 member of the same insurer group. This subsection does not apply
146 to an insurer that issues private passenger motor vehicle
147 coverage primarily to active duty or former military personnel
148 or their dependents. This subsection does not apply if all
149 policy payments are paid pursuant to a payroll deduction plan,
150 ~~or~~ an automatic electronic funds transfer payment plan from the
151 policyholder, or a recurring credit card or debit card agreement
152 with the insurer. This subsection and subsection (4) do not
153 apply if all policy payments to an insurer are paid pursuant to
154 an automatic electronic funds transfer payment plan from an
155 agent, a managing general agent, or a premium finance company
156 and if the policy includes, at a minimum, personal injury



157 protection pursuant to ss. 627.730-627.7405; motor vehicle
158 property damage liability pursuant to s. 627.7275; and bodily
159 injury liability in at least the amount of \$10,000 because of
160 bodily injury to, or death of, one person in any one accident
161 and in the amount of \$20,000 because of bodily injury to, or
162 death of, two or more persons in any one accident. This
163 subsection and subsection (4) do not apply if an insured has had
164 a policy in effect for at least 6 months, the insured's agent is
165 terminated by the insurer that issued the policy, and the
166 insured obtains coverage on the policy's renewal date with a new
167 company through the terminated agent.

168 (9) (a) In addition to the methods provided in s.
169 627.4035(1), premium for motor vehicle insurance contracts
170 issued in this state or covering risk located in this state may
171 be paid in cash in the form of a draft or drafts.

172 (b) If, due to insufficient funds, payment of premium
173 under this subsection by debit card, credit card, electronic
174 funds transfer, or electronic check is returned, is declined, or
175 cannot be processed, the insurer may impose an insufficient
176 funds fee of up to \$15 per occurrence pursuant to the policy
177 terms.

178 Section 5. Subsection (8) is added to section 627.744,
179 Florida Statutes, to read:

180 627.744 Required preinsurance inspection of private
181 passenger motor vehicles.—



182 (8) The Division of Insurance Fraud of the Department of
183 Financial Services shall provide a report of data from the
184 required preinsurance inspection of motor vehicles to the
185 Governor, the President of the Senate, and the Speaker of the
186 House of Representatives by December 1, 2016.

187 (a) The data must include, but need not be limited to:

188 1. A written estimate of the total cost incurred by
189 insurers and policyholders in order to comply with the
190 inspections.

191 2. A written estimate of the total cost incurred by
192 insurers to have their motor vehicles inspected.

193 3. Documentation regarding the total premium savings for
194 policyholders as a result of the inspections.

195 4. Documentation of the total number of inspected motor
196 vehicles that had a preexisting condition.

197 5. Documentation regarding the potential fraud in motor
198 vehicle claims incurred within the first 125 days after issuance
199 of a new policy.

200 6. Documentation of the total number of referrals of
201 fraudulent acts to the National Insurance Crime Bureau by
202 preinsurance inspectors during the past 5 years.

203 (b) The Legislature may use the report data in determining
204 the future public necessity for this section.

205 Section 6. Paragraphs (d) and (h) of subsection (5) of
206 section 627.736, Florida Statutes, are amended to read:

207 627.736 Required personal injury protection benefits;



208 exclusions; priority; claims.—

209 (5) CHARGES FOR TREATMENT OF INJURED PERSONS.—

210 (d) All statements and bills for medical services rendered
211 by a physician, hospital, clinic, or other person or institution
212 shall be submitted to the insurer on a properly completed
213 Centers for Medicare and Medicaid Services (CMS) 1500 form, UB
214 92 forms, or any other standard form approved by the office and
215 ~~or~~ adopted by the commission for purposes of this paragraph. All
216 billings for such services rendered by providers must, to the
217 extent applicable, comply with the CMS 1500 form instructions,
218 the American Medical Association CPT Editorial Panel, and the
219 Healthcare Common Procedure Coding System (HCPCS); and must
220 follow the Physicians' Current Procedural Terminology (CPT), the
221 HCPCS in effect for the year in which services are rendered, and
222 the International Classification of Diseases (ICD) adopted by
223 the United States Department of Health and Human Services in
224 effect for the year in which services are rendered ~~follow the~~
225 ~~Physicians' Current Procedural Terminology (CPT) or Healthcare~~
226 ~~Correct Procedural Coding System (HCPCS), or ICD-9 in effect for~~
227 ~~the year in which services are rendered and comply with the CMS~~
228 ~~1500 form instructions, the American Medical Association CPT~~
229 ~~Editorial Panel, and the HCPCS.~~ All providers, other than
230 hospitals, must include on the applicable claim form the
231 professional license number of the provider in the line or space
232 provided for "Signature of Physician or Supplier, Including
233 Degrees or Credentials." In determining compliance with



234 applicable CPT and HCPCS coding, guidance shall be provided by
235 the ~~Physicians' Current Procedural Terminology (CPT)~~ or the
236 ~~Healthcare Correct Procedural Coding System (HCPCS)~~ in effect
237 for the year in which services were rendered, the Office of the
238 Inspector General, Physicians Compliance Guidelines, and other
239 authoritative treatises designated by rule by the Agency for
240 Health Care Administration. A statement of medical services may
241 not include charges for medical services of a person or entity
242 that performed such services without possessing the valid
243 licenses required to perform such services. For purposes of
244 paragraph (4) (b), an insurer is not considered to have been
245 furnished with notice of the amount of covered loss or medical
246 bills due unless the statements or bills comply with this
247 paragraph and are properly completed in their entirety as to all
248 material provisions, with all relevant information being
249 provided therein.

250 (h) As provided in s. 400.9905, an entity excluded from
251 the definition of a clinic shall be deemed a clinic and must be
252 licensed under part X of chapter 400 in order to receive
253 reimbursement under ss. 627.730-627.7405. However, this
254 licensing requirement does not apply to:

255 1. An entity wholly owned by a physician licensed under
256 chapter 458 or chapter 459, or by the physician and the spouse,
257 parent, child, or sibling of the physician;

258 2. An entity wholly owned by a dentist licensed under
259 chapter 466, or by the dentist and the spouse, parent, child, or



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260 sibling of the dentist;

261 3. An entity wholly owned by a chiropractic physician
262 licensed under chapter 460, or by the chiropractic physician and
263 the spouse, parent, child, or sibling of the chiropractic
264 physician;

265 4. A hospital or ambulatory surgical center licensed under
266 chapter 395;

267 5. An entity that wholly owns or is wholly owned, directly
268 or indirectly, by a hospital or hospitals licensed under chapter
269 395;

270 6. An entity that is a clinical facility affiliated with
271 an accredited medical school at which training is provided for
272 medical students, residents, or fellows; ~~or~~

273 7. An entity that is certified under 42 C.F.R. part 485,
274 subpart H; or

275 8. An entity that is owned by a publicly traded
276 corporation, either directly or indirectly through its
277 subsidiaries, that has \$250 million or more in total annual
278 sales of health care services provided by licensed health care
279 practitioners if one or more of the persons responsible for the
280 operations of the entity are health care practitioners who are
281 licensed in this state and who are responsible for supervising
282 the business activities of the entity and the entity's
283 compliance with state law for purposes of this section.

284 Section 7. This act shall take effect July 1, 2016.