

Tab 1	SB 150 by Lee; (Similar to CS/H 00019) Motor Vehicle Insurance					
543534	D	S		BI, Lee	Delete everything after	12/04 09:26 AM

Tab 2	SB 162 by Steube; (Similar to H 00217) Payment of Health Care Claims					
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Tab 3	SB 376 by Book (CO-INTRODUCERS) Latvala, Taddeo, Montford; (Identical to H 00227) Workers' Compensation Benefits for First Responders					
902814	A	S	RCS	BI, Book	Delete L.36 - 109:	12/05 12:45 PM

Tab 4	SB 386 by Garcia (CO-INTRODUCERS) Taddeo; (Similar to CS/H 00239) Consumer Finance					
330726	A	S	RCS	BI, Garcia	Delete L.48 - 67:	12/05 12:45 PM

Tab 5	SB 396 by Hukill (CO-INTRODUCERS) Young, Hutson; (Identical to H 00811) Motor Vehicle Insurance Coverage for Windshield Glass					
144400	A	S		BI, Steube	Delete L.24:	12/04 05:06 PM
408714	AA	S		BI, Bradley	Delete L.9 - 11:	12/05 09:22 AM

Tab 6	SB 660 by Brandes; Florida Insurance Code Exemption for Nonprofit Religious Organizations					
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Tab 7	SB 678 by Gibson; (Identical to H 00467) Renters Insurance					
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The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

BANKING AND INSURANCE
Senator Flores, Chair
Senator Steube, Vice Chair

MEETING DATE: Tuesday, December 5, 2017

TIME: 10:00 a.m.—12:00 noon

PLACE: *Toni Jennings Committee Room, 110 Senate Office Building*

MEMBERS: Senator Flores, Chair; Senator Steube, Vice Chair; Senators Bracy, Bradley, Braynon, Broxson, Gainer, Garcia, Grimsley, Taddeo, and Thurston

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	SB 150 Lee (Similar CS/H 19)	Motor Vehicle Insurance; Repealing provisions relating to application of the Florida Motor Vehicle No-Fault Law; revising requirements for a motor vehicle liability policy that serves as proof of financial responsibility for certain operators or owners; requiring specified motor vehicle liability insurance policies to include medical payments coverage, etc. BI 12/05/2017 Temporarily Postponed AHS AP	Temporarily Postponed
2	SB 162 Steube (Similar H 217)	Payment of Health Care Claims; Prohibiting a health insurer or a health maintenance organization from retroactively denying a claim under specified circumstances, etc. BI 12/05/2017 Favorable HP RC	Favorable Yeas 10 Nays 0
3	SB 376 Book (Identical H 227, Compare H 629, S 126)	Workers' Compensation Benefits for First Responders; Deleting certain limitations relating to workers' compensation benefits for first responders; providing that law enforcement officers, firefighters, emergency medical technicians, and paramedics are entitled to benefits under the Workers' Compensation Law for mental or nervous injuries, whether or not such injuries are accompanied by physical injuries requiring medical treatment, under specified circumstances, etc. BI 12/05/2017 Fav/CS CM AP RC	Fav/CS Yeas 10 Nays 0

COMMITTEE MEETING EXPANDED AGENDA

Banking and Insurance

Tuesday, December 5, 2017, 10:00 a.m.—12:00 noon

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
4	SB 386 Garcia (Similar CS/H 239, Compare H 747, S 640)	Consumer Finance; Revising a provision relating to the maximum delinquency charge that may be charged for consumer finance loans; revising a requirement relating to installment repayments for consumer finance loans, etc. BI 12/05/2017 Fav/CS CM RC	Fav/CS Yeas 9 Nays 0
5	SB 396 Hukill (Identical H 811)	Motor Vehicle Insurance Coverage for Windshield Glass; Authorizing a motor vehicle insurance policy providing comprehensive or combined additional coverage to require an inspection of the damaged windshield of a covered motor vehicle before the windshield repair or replacement is authorized by the insurer, etc. BI 12/05/2017 Not Considered CM RC	Not Considered
6	SB 660 Brandes	Florida Insurance Code Exemption for Nonprofit Religious Organizations; Revising criteria under which a nonprofit religious organization that facilitates the sharing of contributions among its participants for financial or medical needs is exempt from requirements of the code, etc. BI 12/05/2017 Not Considered JU RC	Not Considered
7	SB 678 Gibson (Identical H 467)	Renters Insurance; Requiring a residential rental agreement to specify whether renters insurance is required; providing that failure to include a certain notice in a rental agreement does not create a private cause of action or nullify any part of the rental agreement, etc. BI 12/05/2017 Favorable CA RC	Favorable Yeas 9 Nays 0

Other Related Meeting Documents

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: SB 150

INTRODUCER: Senator Lee

SUBJECT: Motor Vehicle Insurance

DATE: December 4, 2017

REVISED: _____

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. Knudson	Knudson	BI	Pre-meeting
2. _____	_____	AHS	_____
3. _____	_____	AP	_____

I. Summary:

SB 150 repeals the Florida Motor Vehicle No-Fault Law (No-Fault Law), which requires every owner and registrant of a motor vehicle in this state to maintain \$10,000 Personal Injury Protection (PIP) coverage. The bill replaces the PIP coverage mandate with a medical payments (MedPay) coverage mandate of \$5,000. Medical payments coverage under the bill provides substantially similar coverage to current PIP medical benefits, except that it provides reimbursement for 100 percent of covered medical losses, whereas PIP reimburses only 80 percent of covered medical losses. The repeal of the No-Fault Law eliminates the limitations on recovering pain and suffering damages from PIP insureds which currently require bodily injury that causes death or significant and permanent injury.

The bill enacts financial responsibility requirements for damages for liability on account of accidents arising out of the ownership, maintenance, or use of a motor vehicle in the amount of:

- Beginning January 1, 2019, through December 31, 2020, \$20,000 for bodily injury (BI) or death of one person in any one crash, and subject to that limit for one person, \$40,000 for bodily injury or death of two or more people in any one crash.
- Beginning January 1, 2021, through December 31, 2022, \$25,000 for bodily injury or death of one person in any one crash, and subject to that limit for one person, \$50,000 for bodily injury or death of two or more people in any one crash.
- Beginning January 1, 2023, and thereafter \$30,000 for bodily injury or death of one person in any one crash, and subject to that limit for one person, \$60,000 for bodily injury or death of two or more people in any one crash.

The bill retains the \$10,000 financial responsibility requirement for property damage.

The repeal of the No-Fault Law and the financial responsibility requirements for bodily injury take effect January 1, 2019.

II. Present Situation:

Under the Florida Motor Vehicle No-Fault Law (No-Fault Law)¹, owners or registrants of motor vehicles are required to purchase personal injury protection (PIP) insurance which compensates persons injured in accidents regardless of fault.² Policyholders are indemnified by their own insurer. The intent of no-fault insurance is to provide prompt medical treatment without regard to fault.³ This coverage also provides policyholders with immunity from liability for economic damages up to the policy limits and limits tort suits for non-economic damages (pain and suffering) below a specified injury threshold.⁴ In contrast, under a tort liability system, the negligent party is responsible for damages caused and an accident victim can sue the at-fault driver to recover economic and non-economic damages.

Florida drivers are required to purchase both PIP and property damage liability (PD) insurance.⁵ The personal injury protection must provide a minimum benefit of \$10,000 for bodily injury to any one person who sustains an emergency medical condition, which is reduced to a \$2,500 limit for medical benefits if a treating medical provider determines an emergency medical condition did not exist.⁶ PIP coverage provides reimbursement for 80 percent of reasonable medical expenses,⁷ 60 percent of loss of income,⁸ and 100 percent of replacement services,⁹ for bodily injury sustained in a motor vehicle accident, without regard to fault. The property damage liability coverage must provide a \$10,000 minimum benefit. A \$5,000 death benefit is also provided.¹⁰

PIP Medical Benefits

The 2012 Legislature revised the provision of PIP medical benefits under the No-Fault Law, effective January 1, 2013.¹¹ To receive PIP medical benefits, insureds must receive initial services and care within 14 days after the motor vehicle accident.¹² Initial services and care are only reimbursable if lawfully provided, supervised, ordered or prescribed by a licensed physician, licensed osteopathic physician, licensed chiropractic physician, licensed dentist, or must be rendered in a hospital, a facility that owns or is owned by a hospital, or a licensed emergency transportation and treatment provider.¹³ Follow up services and care requires a referral from such providers and must be consistent with the underlying medical diagnosis rendered when the individual received initial services and care.¹⁴

¹ Sections 627.730-627.7405, F.S.

² Section 627.733, F.S.

³ See s. 627.731, F.S.

⁴ Section 627.737, F.S.

⁵ See ss. 324.022, F.S. and 627.733, F.S.

⁶ Section 627.736(1), F.S.

⁷ Section 627.736(1)(a), F.S.

⁸ Section 627.736(1)(b), F.S.

⁹ Id.

¹⁰ Section 627.736(1)(c), F.S.

¹¹ Chapter 2012-197, L.O.F. (CS/CS/HB 119)

¹² Section 627.736(1)(a), F.S.

¹³ Section 627.736(1)(a)1., F.S.

¹⁴ Section 627.736(1)(a)2., F.S.

PIP medical benefits have two different coverage limits, based upon the severity of the medical condition of the individual. An insured may receive up to \$10,000 in medical benefits for services and care if a physician, osteopathic physician, dentist, physician's assistant or advanced registered nurse practitioner has determined that the injured person had an emergency medical condition.¹⁵ An emergency medical condition is defined as a medical condition manifesting itself by acute symptoms of sufficient severity that the absence of immediate medical attention could reasonably be expected to result in serious jeopardy to patient health, serious impairment to bodily functions, or serious dysfunction of a body organ or part.¹⁶ If a provider who rendered treatment or services determines that the insured did not have an emergency medical condition, the PIP medical benefit limit is \$2,500.¹⁷ Massage and acupuncture are not reimbursable, regardless of the type of provider rendering such services.¹⁸

The \$5,000 PIP death benefit is provided in addition to medical and disability benefits, effective January 1, 2013. Previously, the death benefit was the lesser of the unused PIP benefits, up to a limit of \$5,000.

Medical Fee Limits for PIP Reimbursement

Section 627.736(5), F.S., authorizes insurers to limit reimbursement for benefits payable from PIP coverage to 80 percent of the following schedule of maximum charges:

- For emergency transport and treatment (ambulance and emergency medical technicians), 200 percent of Medicare;
- For emergency services and care provided by a hospital, 75 percent of the hospital's usual and customary charges;
- For emergency services and care and related hospital inpatient services rendered by a physician or dentist, the usual and customary charges in the community;
- For hospital inpatient services, 200 percent of Medicare Part A;
- For hospital outpatient services, 200 percent of Medicare Part A;
- For services supplies and care provided by ambulatory surgical centers and clinical laboratories, 200 percent of Medicare Part B;
- For durable medical equipment, 200 percent of the Durable Medical Equipment Prosthetics/Orthotics and Supplies fee schedule of Medicare Part B;
- For all other medical services, supplies, and care, 200 percent of the participating physicians fee schedule of Medicare Part B; and
- For medical care not reimbursable under Medicare, 80 percent of the workers' compensation fee schedule. If the medical care is not reimbursable under either Medicare or workers' compensation then the insurer is not required to provide reimbursement.

The insurer may not apply any utilization limits that apply under Medicare or workers' compensation.¹⁹ Also, the insurer must reimburse a health care provider rendering services under the scope of his or her license, regardless of any restriction under Medicare that restricts

¹⁵ Section 627.736(1)(a)3., F.S.

¹⁶ Section 627.732(16), F.S.

¹⁷ Section 627.736(1)(a)4., F.S.

¹⁸ Section 627.736(1)(a)5., F.S.

¹⁹ Section 627.736(5)(a)3., F.S.

payments to certain types of health care providers for specified procedures. Medical providers are not allowed to bill the insured for any excess amount when an insurer limits payment as authorized in the fee schedule, except for amounts that are not covered due to the PIP coinsurance amount (the 20 percent copayment) or for amounts that exceed maximum policy limits.²⁰

CS/CS/HB 119 revised the PIP medical fee schedule in an effort to resolve alleged ambiguities that led to conflicts and litigation between claimants and insurers. The bill clarified the reimbursement levels for care provided by ambulatory surgical centers and clinical laboratories and for durable medical equipment. The bill also provided that Medicare fee schedule in effect on March 1 is applicable for the remainder of that year.²¹ Insurers are authorized to use Medicare coding policies and payment methodologies of the Centers for Medicare and Medicare Services, including applicable modifiers, when applying the fee schedule if they do not constitute a utilization limit.²² The bill also requires insurers to include notice of the fee schedule in their policies.²³

Attorney Fees

Section 627.428, F.S., requires an insurer to pay the insured's or beneficiary's reasonable attorney fees upon a judgment against the insurer and in favor of the insured or named beneficiary under an insurance policy, and applies to disputes under the No-Fault Law.²⁴ CS/CS/HB 119 amended provisions related to attorney fee awards in No-Fault disputes. The bill prohibits the application of attorney fee multipliers.²⁵ The bill also requires that the attorney fees awarded must comply with prevailing professional standards, not overstate or inflate the number of hours reasonably necessary for a case of comparable skill or complexity, and represent legal services that are reasonable to achieve the result obtained.²⁶ The offer of judgment statute, s. 768.79, F.S., is applied to No-Fault cases, providing statutory authority for insurers to recover fees if the plaintiff's recovery does not exceed the insurer's settlement offer by a statutorily specified percentage.²⁷

Mandatory Rate Filings and Data Call

CS/CS/HB 119 required the Office of Insurance Regulation to contract with a consulting firm to calculate the expected savings from the act.²⁸ The OIR retained Pinnacle Actuarial Resources, Inc., which released an August 20, 2012, report estimating an indicated statewide average savings in PIP premiums of 14 percent to 24.6 percent and an average overall motor vehicle insurance premium reduction ranging from 2.8 percent to 4.9 percent.²⁹ The report noted that if insurers' current PIP rates were inadequate they would likely offset the savings from

²⁰ Section 627.736(5)(a)4., F.S.

²¹ Section 627.736(5)(a)2., F.S.

²² Section 627.736(5)(a)3., F.S.

²³ Section 627.736(5)(a)5., F.S.

²⁴ Section 627.736(8), F.S.

²⁵ See id.

²⁶ See id.

²⁷ See id.

²⁸ Section 15, Ch. 2012-197, L.O.F.

²⁹ Pinnacle Actuarial Resources, Inc., *Impact Analysis of HB 119*, (Aug. 20, 2012).

CS/CS/HB 119 against their indicated PIP rates. By October 1, 2012, each insurer writing private passenger automobile PIP insurance was required to submit a rate filing providing at least a 10 percent reduction of its PIP rate or explain in detail its reasons for failing to achieve those savings. The Legislature required a second mandatory rate filing due January 1, 2014, that provided at least a 25 percent reduction of the insurer's July 1, 2012, PIP rate or explained in detail its reasons for failing to achieve those savings.

The Office of Insurance Regulation performed a comprehensive PIP data call on January 1, 2015, that analyzed the impact of the act's reforms on the PIP insurance market. The top 25 personal lines automobile insurers³⁰ generally failed to achieve a 25 percent rate reduction and instead reduced PIP rates an average of 13.6 percent.³¹ Rates were only reduced an average of 0.1 percent for a full auto insurance premium consisting of PIP, property damage, bodily injury, uninsured motorists, collision and comprehensive coverages.³² The OIR noted that though the post-HB 119 rate filings were on the low end of 2012 Pinnacle report, prior to CS/CS/HB 119 the statewide average approved rate changes were a 46.3 percent increase in PIP rates, and a 12.9 percent rate increase for full auto insurance.³³

Rate filings by top 25 auto insurers from January 1, 2015 to January 18, 2017, reversed the entirety of the rate reductions achieved post HB 119, resulting in average premiums higher than those charged before CS/CS/HB 119 became law.³⁴ Generally, motor vehicle insurance rates increased nationally. The United States Department of Labor calculates that the consumer price index for motor vehicle insurance (U.S. city average for urban consumers) increased 8.2 percent³⁵ from October 2016 to October 2017, with followed a 6.7 percent³⁶ increase from October 2015 to October 2016. The number of crashes and crashes involving injuries reported to the Florida Department of Highway Safety has increased in recent years. The number of crashes (346,326) and injury crashes (143,981) from January 1, 2017 through November 28, 2017 exceeds the number of crashes for the entire year of 2013 (317,355 crashes with 140,241 being injury crashes).³⁷

Motor Vehicle Insurance Fraud

Motor vehicle insurance fraud is a long-standing problem in Florida. In November 2005, the Senate Banking and Insurance Committee issued a report entitled Florida's Motor Vehicle No-Fault Law, which was a comprehensive review of Florida's No-Fault system. The report noted that fraud was at an "all-time" high at the time, noting that there were 3,942 PIP fraud referrals

³⁰ On an earned premium basis.

³¹ Office of Insurance Regulation, *Report on Review of the Data Call Pursuant to HB 119 – Motor Vehicle Personal Injury Protection (PIP) Insurance*, Pg. 43 (January 1, 2015).

³² See *id.*

³³ See *id.* at pg. 41.

³⁴ See Office of Insurance Regulation, *Florida Personal Auto Market Presented to The Florida Senate Committee on Banking and Insurance*, pg. 3 (January 24, 2017).

³⁵ United States Department of Labor, *Economic News Release Consumer Price Index Summary: Table 2* (November 15, 2017) <https://www.bls.gov/news.release/cpi.t02.htm> (last accessed November 29, 2017).

³⁶ United States Department of Labor, *Economic News Release Consumer Price Index Summary: Table 2* (November 17, 2016) https://www.bls.gov/news.release/archives/cpi_11172016.htm (last accessed November 29, 2017).

³⁷ See Florida Department of Highway Safety and Motor Vehicles, Florida Integrated Report Exchange System Quick Statistics at <https://firesportal.com/Pages/Public/QuickStats.aspx> (last accessed on November 29, 2017).

received by the Division of Insurance Fraud during the 3 fiscal years beginning in 2002 and ending in 2005. That 3-year amount was nearly doubled by the 7,240 PIP fraud referrals received by the division during the 2014/2015 fiscal year.³⁸ Given this fact, the following description from the 2005 report is an accurate description of the current situation regarding motor vehicle insurance fraud:

“Florida’s no-fault laws are being exploited by sophisticated criminal organizations in schemes that involve health care clinic fraud, staging (faking) car crashes, manufacturing false crash reports, adding occupants to existing crash reports, filing PIP claims using contrived injuries, colluding with dishonest medical treatment providers to fraudulently bill insurance companies for medically unnecessary or non-existent treatments, and patient-brokering...”

Fraudulent claims are a major cost-driver and result in higher motor vehicle insurance premium costs for Florida policyholders. CS/CS/HB 119 contained numerous provisions designed to curtail PIP fraud. A health care practitioner found guilty of insurance fraud under s. 817.234, F.S., loses his or her license for 5 years and may not receive PIP reimbursement for 10 years. Insurers are provided an additional 60 days (90 total) to investigate suspected fraudulent claims, however, an insurer that ultimately pays the claim must also pay an interest penalty.³⁹ All entities seeking reimbursement under the No-Fault Law must obtain health care clinic licensure except for hospitals, ambulatory surgical centers, entities owned or wholly owned by a hospital, clinical facilities affiliated with an accredited medical school and practices wholly owned by a physician, dentist, or chiropractic physician or by such physicians and specified family members.⁴⁰ The bill also defined failure to pay PIP claims within the time limits of s. 627.736(4)(b), F.S., as an unfair and deceptive practice.

Financial Responsibility Law

Florida’s financial responsibility law requires proof of ability to pay monetary damages for bodily injury and property damage liability arising out of a motor vehicle accident or serious traffic violation.⁴¹ The owner and operator of a motor vehicle need not demonstrate financial responsibility, i.e., obtain BI and PD coverages, until *after the accident*.⁴² At that time, a driver’s financial responsibility is proved by the furnishing of an active motor vehicle liability policy. The minimum amounts of liability coverages required are \$10,000 in the event of bodily injury to, or death of, one person, \$20,000 in the event of injury to, or death of, two or more persons, and \$10,000 in the event of damage to property of others, or \$30,000 combined BI/PD policy.⁴³ The driver’s license and registration driver who fails to comply with the security requirement to maintain PIP and PD insurance coverage is subject to suspension.⁴⁴ A driver’s license and

³⁸ Florida Department of Financial Services, *Division of Insurance Fraud Annual Report Fiscal Year 2014 – 2015*, pg. 28 http://www.myfloridacfo.com/Division/DIFS/resources/documents/2014-15_Annual-Report.pdf (last accessed on December 4, 2017).

³⁹ Section 627.736(4)(i), F.S.

⁴⁰ Section 627.736(5)(h), F.S.

⁴¹ See ch. 324, F.S.

⁴² Section 324.011, F.S.

⁴³ Section 324.022, F.S.

⁴⁴ Section 324.0221(2), F.S.

registration may be reinstated by obtaining a liability policy and by paying a fee to the Department of Highway Safety and Motor Vehicles.⁴⁵

Review of Auto Insurance Systems

Two auto insurance systems are utilized throughout the country: the tort system and the no-fault system, with certain variations. Thirty-eight states utilize the tort system in which the at-fault party is liable for damages (medical, economic, property damage and pain and suffering) to other parties in the accident.⁴⁶ Parties seeking redress for their injuries do so from the at-fault driver, and must prove negligence on the part of that individual. Nine of the 38 tort states, known as “add-on” states, require auto insurers to offer PIP coverage, but unlike no-fault states, do not restrict the right to pursue a liability claim or lawsuit.⁴⁷ Benefits are generally either offered in a PIP coverage form similar to that in no-fault states or as additional wage replacement benefits to medical payments coverage. Three tort add-on states require the purchase of PIP coverage; six do not, but require insurers to offer PIP coverage.

Twelve states (including Florida) have a no-fault system and mandate first party PIP coverage for medical benefits, wage loss, and death benefits, with a limitation on pain and suffering lawsuits.⁴⁸ All 12 jurisdictions take different approaches to no-fault legislation in that coverage amounts, deductibles, mandated coverages, tort thresholds for pain and suffering claims and the use of fee schedules or treatment protocols, vary widely among these entities. Each state has either a “verbal” or “monetary” threshold regarding the seriousness of a person’s injuries that must be met prior to the filing of a tort suit for noneconomic damages against an at-fault driver. Florida and the four most populous no-fault states use a verbal threshold, which is a statutory description of the severity of an injury. The seven remaining no-fault states have monetary thresholds ranging from \$1,000 to \$5,000. Three of the 12 no-fault states (Kentucky, New Jersey and Pennsylvania) are known as “choice” states and offer consumers a choice between purchasing PIP coverage or traditional tort liability coverage which does not include PIP benefits.

Auto Coverage Requirements

Forty-eight states require car owners to buy a minimum amount of bodily injury liability (BI) and property damage liability (PD) insurance coverage before they can legally drive their vehicles.⁴⁹ Further, all states have financial responsibility laws which require persons involved in auto accidents (or serious traffic infractions) to furnish proof of BI and PD liability insurance. The minimum coverage amounts vary among the states. Florida has a requirement for bodily liability coverage for persons subject to the Financial Responsibility Law of \$10,000 per person,

⁴⁵ Section 324.0221(3), F.S.

⁴⁶ Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Georgia, Idaho, Illinois, Indiana, Iowa, Louisiana, Maine, Maryland, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Carolina, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

⁴⁷ Arkansas, Delaware, Maryland, Oregon, South Dakota, Texas, Virginia, Washington, and Wisconsin.

⁴⁸ Hawaii, Kansas, Kentucky, Massachusetts, Michigan, Minnesota, New Jersey, New York, North Dakota, Pennsylvania, and Utah are the other No-Fault states.

⁴⁹ New Hampshire does not require auto insurance if the driver complies with alternative financial responsibility requirements. Florida only requires BI coverage after a driver is involved in a crash.

\$20,000 per accident, and \$10,000 in the event of damage to property of others, or a \$30,000 combined (BI/PD) single limit. A Florida driver is not required to maintain BI coverage until he or she is involved in a crash or convicted of certain traffic offenses. The following chart shows the required motor vehicle insurance coverages in each state and the minimum coverages for bodily injury liability coverage and property damage coverage.

State Motor Vehicle Insurance Requirements

ST	Ins. Req.	Min. BI/PD	ST	Ins. Req.	Min. BI/PD	ST	Ins. Req.	Min. BI/PD
AL	BI/PD	25/50/25	LA	BI/PD	15/30/25	OH	BI/PD	25/50/25
AK	BI/PD	50/100/25	ME	BI/PD/UM	50/100/25	OK	BI/PD	25/50/25
AZ	BI/PD	15/30/10	MD	BI/PD/PIP/UM	30/60/15	OR	BI/PD/PIP/UM	25/50/25
AR	BI/PD/PIP	25/50/25	MA	BI/PD/PIP/UM	20/40/5	PA	BI/PD/PIP	15/30/5
CA	BI/PD	15/30/5	MI	BI/PD/PIP	20/40/10	RI	BI/PD	25/50/25
CO	BI/PD	25/50/15	MN	BI/PD/PIP/UM	30/60/10	SC	BI/PD/UM	25/50/25
CT	BI/PD/UM	20/40/10	MS	BI/PD	25/50/25	SD	BI/PD/UM	25/50/25
DE	BI/PD/PIP	15/30/10	MO	BI/PD/UM	25/50/10	TN	BI/PD	25/50/15
FL	PIP/PD	10/20/10	MT	BI/PD	25/50/20	TX	BI/PD	30/60/25
GA	BI/PD	25/50/25	NE	BI/PD/UM	25/50/25	UT	BI/PD/PIP	25/65/15
HI	BI/PD/PIP	20/40/10	NV	BI/PD	15/30/10	VT	BI/PD/UM	25/50/10
ID	BI/PD	25/50/15	NH	None	25/50/25	VA	BI/PD/UM	25/50/20
IL	BI/PD/UM	25/50/20	NJ	BI/PD/PIP/UM	15/30/5	WA	BI/PD	25/50/10
IN	BI/PD	25/50/25	NM	BI/PD	25/50/10	WV	BI/PD/UM	25/50/25
IA	BI/PD	20/40/15	NY	BI/PD/PIP/UM	35/50/10	WI	BI/PD/UM	25/50/10
KS	BI/PD/PIP	25/50/25	NC	BI/PD/UM	30/60/25	WY	BI/PD	25/50/20
KY	BI/PD/PIP	25/50/10	ND	BI/PD/PIP/UM	25/50/25	DC	BI/PD/PIP/UM	25/50/10

Tort-Based Motor Vehicle Insurance Jurisdictions

In a tort-based liability system, auto injury claimants seek payment from the at-fault driver for both economic and non-economic damages from dollar one. A tort-based system represents a more traditional legal philosophy of holding persons responsible for injuries caused by their negligent operation of a vehicle. In theory, this encourages safer operation of automobiles and is generally viewed by the public as consistent with the concept of personal responsibility.

If Florida repeals PIP and mandates BI coverage, it will be important for drivers to appreciate coverage applications under the tort system. For the most common type of accident (with one party at-fault), the at-fault party's BI coverage would pay for injuries to the not at-fault driver, unless the at-fault party was uninsured. If the at-fault party is uninsured (or underinsured), the not at-fault party would utilize his/her UM coverage, if purchased, to pay for injuries sustained in an accident. The at-fault party's PD coverage would compensate for physical damages to the not at-fault driver's vehicle. If the not-at-fault party has Med Pay coverage, it can be used to cover

his or her own medical expenses, which could then be subrogated into the BI claim by the not at-fault driver's insurer.

With respect to the at-fault party, that driver's own health insurance, if available, would cover his or her own expenses. Med Pay coverage, if purchased, would pay for his/her medical expenses up to the Med Pay limits, at which point health insurance would apply. In the event the at-fault party did not have health insurance, then the medical costs would not be reimbursed and the individual would be responsible for these costs or such costs would be assumed by the health care provider.

For single car accidents, the driver of the vehicle is presumed to be the at-fault party and therefore will be essentially in the same situation as the at-fault party described above. Occupants in the vehicle can sue the driver of the vehicle for their injuries and are in a similar circumstance to the not at-fault party's situation, previously described. Family members are precluded from suing the driver because of the intra-family exclusion due to the fact that only non-family occupants can pursue a tort claim. Pedestrians who are injured in an accident are in a similar situation as the not at-fault party.

III. Effect of Proposed Changes:

Repeal of the Florida Motor Vehicle No-Fault Law

Sections 1 repeals ss. 627.730-627.7405, F.S., which constitute the Florida Motor Vehicle No-Fault Law.

Many of the provisions of the No-Fault Law are retained in s. 627.7265, F.S., as detailed below. Two of the most significant provisions not retained are the tort exemption in s. 627.737, F.S., which prohibits tort actions to recover pain and suffering damages from PIP insureds unless death or significant and permanent injury causes such damages, and coverage for disability and death benefits under PIP.

Section 2 repeals s. 627.7407, F.S., which explained how the Florida Motor Vehicle No-Fault Law was to be applied after being reinstated by ch. 2007-324, Laws of Florida.

Mandatory Bodily Injury Liability Coverage Requirements

Chapter 324, F.S., requires the owners and operators of motor vehicles to demonstrate the ability to respond in damages for liability because of crashes arising out of the use of a motor vehicle.⁵⁰ This requirement is usually met through the purchase of motor vehicle insurance.

Sections 12 and 13 amend s. 324.021, F.S., and s. 324.022, F.S., to require every owner of a motor vehicle registered in this state, and every operator of a motor vehicle licensed in this state, to maintain the ability to respond in damages for liability on account of accidents arising out of the ownership, maintenance, or use of a motor vehicle in the amount of:

⁵⁰ Owners and operators of motor vehicles may satisfy financial responsibility requirements by alternate means, such as depositing security with the Department of Highway Safety and Motor Vehicles pursuant to s. 324.161, F.S., or qualifying as a self-insurer pursuant to s. 324.171, F.S.

- Beginning January 1, 2019, through December 31, 2020, \$20,000 for bodily injury or death of one person in any one crash, and subject to that limit for one person, \$40,000 for bodily injury or death of two or more people in any one crash.
- Beginning January 1, 2021, through December 31, 2022, \$25,000 for bodily injury or death of one person in any one crash, and subject to that limit for one person, \$50,000 for bodily injury or death of two or more people in any one crash.
- Beginning January 1, 2023, and thereafter, \$30,000 for bodily injury or death of one person in any one crash, and subject to that limit for one person, \$60,000 for bodily injury or death of two or more people in any one crash.

The bill retains current law that requires drivers to maintain the ability to respond in damages of \$10,000 for damage to or the destruction of other's property in a crash.

Financial responsibility may be met through motor vehicle insurance that provides BI and PD coverage in at least the minimum amounts required to meet responsibility or through insurance that provides BI and PD with a combined single coverage limit that equals the BI requirement for more than one person plus the PD requirement. From January 1, 2019, through December 31, 2020, minimum combined single limit will be \$50,000 and will subsequently increase to \$60,000 on January 1, 2021, and \$70,000 on January 1, 2023.

Required Provisions in Motor Vehicle Liability Policies

Section 21 amends s. 324.151, F.S., which requires motor vehicle liability insurance policies that serve as proof of financial responsibility to contain certain provisions.

The bill requires policies issued to the owner of a motor vehicle to cover all named insureds, resident relatives, and permissive users of vehicle from liability resulting from the use of any motor vehicle. A vehicle may only be excluded from liability coverage if the vehicle is not a newly acquired vehicle or a temporary substitute vehicle and was owned more than 30 consecutive days prior to the event giving rise to a claim.

A policy issued to a person who does not own a motor vehicle registered in this state and is not insured under an owner's policy must insure all named insureds from liability arising out of the use of any motor vehicle not owned by him or her unless the vehicle was furnished for his or her regular use and was used more than 30 consecutive days prior to the event giving rise to the claim.

The bill requires all such motor vehicle insurance policies to provide liability coverage to all insureds covered under the policy from liability imposed for any litigation costs or attorney fees in any civil action defended by the insurer which arises out of the ownership, maintenance, or use of a motor vehicle. Current law requires the policy to explicitly describe or reference all motor vehicles covered by the policy and must insure the owner and any other person using an insured motor vehicle with the express or implied permission of the owner.

The bill defines the following terms:

- "Newly acquired vehicle" means a vehicle owned by a named insured or resident relative of the named insured which was acquired within 30 days before an accident.

- “Resident relative” means a person related to a named insured by any degree by blood, marriage, or adoption, including a ward or foster child, who usually makes his or her home in the same family unit as the named insured, whether or not he or she temporarily lives elsewhere.
- Temporary substitute vehicle” means any motor vehicle as defined in s. 320.01(1), F.S., not owned by the named insured which is temporarily used with the permission of the owner as a substitute for the owned motor vehicle designated on the policy, when the owned vehicle is withdrawn from normal use because of breakdown, repair, servicing, loss, or destruction.

Meeting Financial Responsibility through a Certificate of Self-Insurance

Section 16 amends s. 324.031, F.S., which allows owners and operators of motor vehicles that are not for-hire vehicles to prove financial responsibility by providing evidence of holding a motor vehicle liability policy. Two alternatives are also available under the statute. A person may prove financial responsibility by furnishing a certificate of self-insurance that shows a deposit of cash with a financial institution, or furnishing a certificate of self-insurance issued by the DHSMV based on demonstrating sufficient net unencumbered worth. The bill increases the amounts that must be deposited under both alternatives.

Section 22 amends s. 324.161, F.S., to provide that a certificate of self-insurance must, beginning January 1, 2019, equal the number of vehicles owned times \$50,000, to a maximum of \$200,000. As of January 1, 2021, the deposit must equal the number of vehicles owned times \$60,000, to a maximum of \$240,000. On January 1, 2023, and thereafter, the deposit must equal the number of vehicles owned times \$70,000, to a maximum of \$280,000. Current law requires a deposit equal to the number of vehicles times \$30,000, to a maximum of \$120,000. The bill also requires all persons using this method to maintain excess coverage of the amount deposited. Current law does not require this of natural persons, and requires the excess coverage of a \$10,000/\$20,000/\$10,000 BI/PD or a \$30,000 combined single limit. The bill retains current law that the excess coverage must have limits of at least \$125,000/\$250,000/\$50,000 BI/PD or a \$300,000 BI/PD combined single limit.

Section 23 amends s. 324.171, F.S., to provide that a certificate of self-insurance from the DHSMV pursuant to this section may be obtained by a private individual with private passenger vehicles by demonstrating sufficient net unencumbered worth of at least \$80,000 beginning January 1, 2019; at least \$100,000 beginning January 1, 2021; and at least \$120,000 beginning January 1, 2023, and thereafter. Current law requires a net unencumbered worth of at least \$40,000. A person other than a natural person may obtain a certificate of self-insurance from the DHSMV by possessing a net unencumbered worth of at least \$80,000 for the first motor vehicle and \$40,000 for each additional vehicle beginning on January 1, 2019; a net unencumbered worth of at least \$100,000 for the first motor vehicle and \$50,000 for each additional motor vehicle beginning January 1, 2021; and a net unencumbered worth of at least \$120,000 for the first motor vehicle and \$60,000 for each additional motor vehicle beginning January 1, 2023. The bill retains current law that authorizes the DHSMV to promulgate by rule an alternative net worth requirement for persons other than natural persons. Current law requires a net unencumbered worth of \$40,000 for the first motor vehicle and \$20,000 for each additional motor vehicle.

Garage Liability Insurance Requirement

Section 7 amends s. 320.27, F.S., which requires the licensure of motor vehicle dealers. The bill increases the garage liability insurance requirement, requiring at least a \$70,000 combined single limit policy that provides BI liability and PD liability coverage. Current law only requires at least \$25,000 in such coverage and also requires PIP. The section also corrects a cross reference in the exemption from this requirement for salvage motor dealers.

Section 8 amends s. 320.771, F.S., and applies the same garage liability insurance requirement to recreational vehicle dealers.

Financial Responsibility Requirement for For-Hire Vehicles

Section 17 amends s. 324.032, F.S., to apply the financial responsibility requirements for for-hire passenger vehicles to the operators of such vehicles. The bill retains current law requiring the owner or lessee to meet the financial responsibility requirement and also retains the minimum limits of coverage, which are \$125,000/\$250,000 of BI and \$50,000 of PD.

Reinstatement Fees

Section 19 amends s. 324.071, F.S., to create uniform fees for the reinstatement of a suspended license. Under the bill, all reinstatement fees are \$150 for the first reinstatement. A second reinstatement within 3 years of the first requires a \$250 reinstatement fee and a third and subsequent reinstatements require a \$500 fee. These are the current reinstatement fees for failure to maintain required PIP insurance in s. 324.0221, F.S. Currently, s. 324.071, F.S., requires a lower \$25 fee for failure to maintain BI liability coverage in certain circumstances.

Section 14 requires that such policies also insure any resident relative of a named insured. The bill also requires the policy to provide liability coverage for motor vehicles not described or referenced in the policy that are newly acquired vehicles and temporary substitute vehicles. The policy may only exclude a motor vehicle that is not described in the policy if it was owned by an insured or furnished for an insured's regular use for more than 30 consecutive days before the event giving rise to the claim and is not a newly acquired vehicle or temporary substitute vehicle.

The bill requires a motor vehicle liability insurance policy issued to a person who does not own a Florida-registered motor vehicle (and who is not already insured as a named insured, resident relative, or permissive operator of an insured motor vehicle) to insure named insureds against loss from liability. The policy need not provide such coverage if the vehicle was furnished for the named insured's regular use and was used by the named insured for more than 30 consecutive days before giving the event giving rise to the claim.

The bill requires motor vehicle liability insurance policies to insure all covered persons against loss from legal liability for litigation costs or attorney fees in any civil action defended by the insurer.

The bill also allows motor vehicle insurance policies to exclude liability coverage for a vehicle being used outside the United States or Canada at the time of the accident. Current law allows the policies to limit coverage to motor vehicles used in the United States and Canada.

Section 41 amends s. 627.7275, F.S., to require all motor vehicle insurance policies delivered or issued in Florida for a motor vehicle registered or principally garaged in this state to include BI liability coverage and PD liability coverage as required by s. 324.022, F.S., and MedPay coverage as required by s. 627.7265, F.S.

Mandatory Medical Payments Coverage⁵¹

Medical Payments Coverage Benefits

Section 39 creates s. 627.7265, F.S., which requires the inclusion of medical payments coverage of at least \$5,000 in each motor vehicle liability insurance policy used to meet the financial responsibility requirements of s. 324.031, F.S.

Medical payments coverage protects the named insured, resident relatives, all passengers and operators of the insured vehicle, and all persons stuck by the motor vehicle while not occupying a self-propelled motor vehicle. Medical payments coverage must provide reimbursement of medically necessary medical, surgical, X-ray, dental, and rehabilitative services, including prosthetic devices, and ambulance, hospital, and nursing services.

MedPay provides reimbursement of 100 percent of covered medical care and services, which differs from PIP, which provides reimbursement for 80 percent of such services and care. Deductibles are prohibited. Massage and acupuncture are not reimbursable under MedPay coverage, nor is treatment provided by a licensed massage therapist or licensed acupuncturist. MedPay benefits are generally primary except that workers' compensation benefits are primary and MedPay must reimburse the state Medicaid program for any benefits it pays.

The bill retains within MedPay the PIP requirements for obtaining medical reimbursement. An individual seeking reimbursement must receive initial services and care within 14 days of the motor vehicle accident from specified medical providers.⁵² Follow-up services and care are available upon the referral of one of the providers of initial services and care and must be consistent with the underlying medical diagnosis initially rendered. The bill specifies the licensed medical providers and entities that may provide MedPay benefits.

Requirements for Billing and Payment of MedPay Claims

The insurer must pay MedPay benefits to the insured within 30 days of receiving written notice of a covered loss. An insurer that denies a claim or makes partial payment must provide specifically itemize the treatments and services denied and provide medical necessity information the insurer wants the claimant to consider. If the claim denies a claim because of an alleged claim error, the insurer must provide an itemized explanation of benefits due to the specific error. The claimant has 15 days from receipt of the explanation to submit a revised claim. The bill provides standards for determining when payment is overdue and the interest that is due, and specifies that a general business practice of failing to timely provide benefits violates

⁵¹ Footnotes in the Effect of Proposed Changes section of this analysis refer to the statutory citations contained in SB 150, and not current law.

⁵² A licensed physician, licensed dentist, licensed chiropractor, by a person or entity licensed under part III of ch. 401, F.S. Initial services and care may also be provided in a licensed hospital, or in a facility that owns or is wholly owned by a licensed hospital.

the Insurance Code. The bill specifies the procedures for an insurer to investigate potential acts of insurance fraud. Insurers are required to maintain a log of medical benefits paid for each insured and to give an insured that requests it, a copy of the log within 30 days of the request.

MedPay generally retains provisions in the PIP statute related to payment of medical claims. These include the grounds for an insurer not paying a claim.⁵³ Billing requirements are retained, including requiring providers of medical services bill insurers for specified services within certain periods,⁵⁴ using specified forms for billing,⁵⁵ and directing insurers to investigate claims of improper billing.⁵⁶ Disclosure requirements are retained, including that insurers must notify insureds of MedPay rights⁵⁷ and medical providers must obtain from an insured a signed disclosure and acknowledgment form.⁵⁸ The law continues to require that specified entities obtain health care clinic licensure as a condition of receiving reimbursement, with exceptions.⁵⁹

Medical Fee Schedule for MedPay Reimbursement

Medical payments coverage reimbursement contains a medical fee schedule that is identical to the fee schedule for PIP. The fee schedule allows insurers to limit reimbursement to the following:

- Emergency services transport and treatment by licensed medical transportation service – 200 percent of Medicare.
- Emergency services and care provided by a licensed hospital – 75 percent of a hospital’s usual and customary charges.
- Emergency services and care and related hospital inpatient services provided by a licensed physician or dentist, if rendered in a facility licensed under ch. 395, F.S., (hospitals, ambulatory surgical centers, and mobile surgical facilities) – usual and customary charges in the community.
- Hospital inpatient services other than emergency services and care – 200 percent of the Medicare Part A prospective payment applicable to the specific hospital providing the inpatient services.
- Hospital outpatient services other than emergency services and care – 200 percent of the Medicare Part A Ambulatory Payment Classification for that particular hospital.
- All other medical supplies, services, and care – 200 percent of the participating physician’s fee schedule of Medicare Part B, with the following exceptions:
 - Services, supplies, and care provided by ambulatory surgical centers and clinical laboratories – 200 percent of Medicare Part B.
 - Durable medical equipment – 200 percent of the Durable Medical Equipment Prosthetics/Orthotics and Supplies fee schedule of Medicare Part B.
 - Services, supplies, or care not reimbursable under Medicare Part B – 80 percent of the maximum reimbursement under workers’ compensation.

⁵³ See s. 627.7265(6)(b), F.S.

⁵⁴ See s. 627.7265(6)(c), F.S.

⁵⁵ See s. 627.7265(6)(d), F.S.

⁵⁶ See s. 627.7265(6)(f), F.S.

⁵⁷ See s. 627.7265(7), F.S.

⁵⁸ See s. 627.7265(6)(e), F.S.

⁵⁹ See s. 627.7265(6)(h), F.S.

- Services, supplies, or care that are not reimbursable under Medicare or workers' compensation – no reimbursement.

Claimant Compliance with MedPay Claims Investigations

The bill retains requirements that claimants comply with the insurer's claim investigation. These include that the claimant comply with the insurer's discovery of facts about an injured person,⁶⁰ insureds comply with policy terms, including submitting to an examination under oath,⁶¹ and that an insured is prohibited from unreasonably not notifying the insurer of the existence of a claim.⁶² The insured must also submit to a mental or physical examination upon the request of the insurer.⁶³

Prohibitions against Certain Acts by Insurers

Insurers are prohibited from systematically downcoding with intent to deny due reimbursement.⁶⁴ Insurers must notify insureds or assignees that policy limits have been reached within 15 days of that occurring.⁶⁵ Insurers may not limit the number of treatments or impose other utilization limits that apply under Medicare or workers' compensation. Insurers that engage in a general business practice of not paying valid claims until receiving a demand letter are subject to punishment under s. 626.9521, F.S., of the Unfair Insurance Trade Practices Act.

Insurance Fraud Related to MedPay Claims

The bill retains provisions in the PIP law related to insurance fraud. An insurer may bring a civil action against any person convicted of insurance fraud associated with a MedPay claim, and may recover punitive damages, attorney fees and costs.⁶⁶ Claims generated as a result of patient brokering are not reimbursable.⁶⁷ Insurers must send a fraud advisory notice to MedPay claimants informing them of potential monetary rewards for providing information related to insurance fraud and that claimants should report any solicitation of persons injured in a motor vehicle crash for the purpose of filing a MedPay claim or lawsuit to the Department of Financial Services.⁶⁸

Demand Letter and Single Action Requirements

As under PIP, a prospective plaintiff must provide a written demand letter to the insurer as a condition precedent to filing a legal action.⁶⁹ All claims related to the same health care provider for the same injured person, must be brought in one action, unless good cause is shown for bringing multiple claims.⁷⁰

⁶⁰ See s. 627.7265(8)

⁶¹ See s. 627.7265(8)(g)

⁶² See s. 627.7265(8)(d)

⁶³ See s. 627.7265(9)

⁶⁴ See s. 627.7265(6)(g), F.S.

⁶⁵ See s. 627.7265(8)(e)

⁶⁶ See s. 627.7265(14)

⁶⁷ See s. 627.7265(16)

⁶⁸ See s. 627.7265(15)

⁶⁹ See s. 627.7265(11)

⁷⁰ See s. 627.7265(12)

Insurer Subrogation Rights

The bill allows insurers to subrogate losses paid by MedPay coverage when the wrongful act or omission of another causes such losses. The subrogation right is inferior to the rights of the injured insured, and is available only after all the insured's damages have been recovered and the insured has been made whole. If an insured recovers from a third party the full amount of damages sustained and delivers a release that impairs the insurer's subrogation right, the insured must repay MedPay benefits, less any expenses of acquiring the recovery, including a prorated share of attorney fees and costs.

Uninsured and Underinsured Motor Vehicle Insurance Coverage

Section 40 amends s. 627.727, F.S., which governs uninsured and underinsured motor vehicle insurance coverage. The bill specifies that the liability of an insurer providing UM coverage includes tort damages for pain, suffering, disability or physical impairment, disfigurement, mental anguish, inconvenience, and the loss of capacity for the enjoyment of life experienced in the past and future.

Current law specifies that UM coverage does not include damages in tort for pain, suffering, mental anguish, and inconvenience unless the injury or disease is of sufficient severity under "verbal threshold" s. 627.737(2), F.S. Under PIP an injured person's injuries exceed a certain severity threshold, that person cannot recover "pain and suffering" damages from the at-fault driver's bodily injury coverage. Personal injury protection is considered a no-fault coverage because the injured person trades a limitation on the ability to recover pain and suffering damages for the ability to get PIP benefits even if the injured person is at fault in the accident. Uninsured motorist coverage generally provides the policyholder with benefits if the at-fault driver does not have sufficient bodily injury coverage. Current law does not allow the recovery of uninsured motorist benefits for pain and suffering damages unless the injury surpasses the "verbal threshold" because an injured person cannot recovery bodily injury coverage for pain and suffering damages unless the injury is sufficiently severe.

Commercial Motor Vehicle Coverage Requirements

Section 44 amends s. 627.7415, F.S., to increase the minimum levels of combined BI liability and PD liability coverage that commercial motor vehicles must have.

A commercial motor vehicle that weighs 26,000 pounds or more but less than 35,000 pounds must have coverage of no less than \$50,000 per occurrence beginning January 1, 2019; of no less than \$60,000 per occurrence beginning January 1, 2021; and of no less than \$70,000 per occurrence beginning January 1, 2023, and thereafter. Current law requires \$50,000 of coverage.

A commercial motor vehicle that weighs 35,000 pounds or more but less than 44,000 pounds must have coverage of no less than \$100,000 per occurrence beginning January 1, 2019; of no less than \$120,000 per occurrence beginning January 1, 2021; and of no less than \$140,000 per occurrence beginning January 1, 2023, and thereafter. Current law requires \$100,000 of coverage.

Technical and Conforming Changes

Section 3 amends s. 316.646, F.S., which requires drivers to maintain and be able to display proof of security demonstrating compliance with financial responsibility requirements. The bill specifies that any person operating a motor vehicle must have proof of security in his or her immediate possession and deletes references to PIP and amended sections of law, and instead references the new financial responsibility requirements created by the bill.

Section 4 amends s. 318.18(2), F.S., regarding nonmoving traffic violations to conform cross references.

Section 5 amends s. 320.02, F.S., which contains the requirements to register a motor vehicle. The bill amends the section to require proof of motor vehicle insurance that meets the minimum limits of bodily injury liability, property damage liability, and medical payments coverage.

Section 6 amends s. 320.0609, F.S., regarding transfer and exchange of registration license plates to eliminate a reference to PIP.

Section 9 amends s. 322.251, F.S., regarding notice of cancellation, suspension, or revocation of a driver's license to repeal references to the No-Fault Law.

Section 10 amends s. 322.34, F.S., deleting a reference to the No-Fault Law.

Section 11 amends s. 324.011, F.S., which provides the purpose of ch. 324, F.S., to specify that the chapter applies to the owners and operators of motor vehicles and requires all owners and operators to establish, maintain and show proof of financial responsibility. Currently, financial responsibility requirements only apply after an operator is involved in a crash or convicted of certain traffic offenses.

Section 14 amends s. 324.0221, F.S., which requires insurers to report motor vehicle insurance cancellations to the DHSMV, to remove references to PIP and insert references to MedPay coverage and BI liability coverage.

Section 15 corrects cross references in s. 324.023, F.S., which requires drivers who plead guilty or nolo contendere to a charge of driving under the influence to meet additional liability insurance requirements.

Section 18 amends s. 324.051, F.S., regarding crash reports, to refer to motor vehicle liability policies rather than automobile liability policies.

Section 20 amends s. 324.091, F.S., which requires owners and operators involved in a crash or conviction case to furnish evidence of liability insurance, by deleting references to automobile liability policy while retaining references to a motor vehicle liability policy.

Section 24 amends s. 324.251, F.S., to revise the short title of ch. 324, F.S., to the "Financial Responsibility Law of 2019" and state it will be effective at 12:01 a.m., on January 1, 2019. Currently the chapter is the "Financial Responsibility Law of 1955."

Section 25 revises the definition of a “clinic” contained in s. 400.9905, F.S., of the Health Care Clinic Act, to replace references to PIP coverage and the Florida Motor Vehicle No-Fault Law with references to MedPay or bodily injury coverage.

Sections 26 and 27 amend s. 400.991, F.S., and s. 400.9935, F.S., of the Health Care Clinic Act to remove references to PIP and the No-Fault Law and insert references to MedPay coverage.

Section 28 revises the definition of a “third party benefit” in s. 409.901, F.S., for purposes of Medicaid to refer to MedPay rather than PIP coverage.

Section 29 amends s. 409.910(11), F.S., to specify that the Agency for Health Care Administration may recoup the total amount of medical assistance provided by Medicaid from motor vehicle insurance coverage benefits provided to a Medicaid beneficiary. Current law refers to PIP.

Section 30 amends s. 456.057, F.S., regarding patient records, to correct a reference.

Section 31 amends s. 456.072, F.S., which allows the Department of Health to discipline licensees for submitting claims for PIP reimbursement when treatment was not rendered or that is intentionally upcoded, to instead refer to MedPay coverage.

Section 32 amends s. 626.9541(1)(i) and (o), F.S., to reference MedPay coverage rather than PIP in the prohibitions against the unfair insurance trade practice of not timely paying PIP claims, and the unfair practice of increasing premium or cancelling a motor vehicle insurance policy solely because the insured was involved in a motor vehicle accident without having information the insured was substantially at fault.

Section 33 amends s. 626.989, F.S., to revise the “fraudulent insurance acts” detailed in the section to refer to MedPay coverage rather than the No-Fault Law.

Section 34 amends s. 627.06501, F.S., regarding insurance discounts for completing a driver improvement course, to delete a reference to PIP and insert a reference to MedPay.

Sections 35 and 36 amend s. 627.0652 and s. 627.0653, F.S., relating to insurance discounts for motor vehicle coverage, by replacing references to PIP with references to MedPay coverage.

Section 37 amends s. 627.4132, regarding the general prohibition against stacking of motor vehicle coverages, to refer to BI and PD instead of PIP or other coverage.

Section 38 amends s. 627.7263, F.S., which generally makes rental and leasing driver’s insurance primary, to delete references to PIP and insert references to MedPay.

Section 42 amends s. 627.728, F.S., which governs cancellations of motor vehicle insurance policies, to delete a reference to PIP in the definition of “policy.”

Section 43 amends s. 627.7295, F.S., to revise definitions relating to motor vehicle insurance contracts by deleting references to PIP and insert references to BI liability coverage and MedPay coverage.

Section 45 amends s. 627.8405, F.S., regarding prohibited acts of premium finance companies to replace a reference to a PIP/PD only policy with a reference to a policy that only provides BI/PD/MedPay.

Section 46 amends s. 627.915, F.S., which requires private passenger automobile insurers to annually report information to the office, to remove references to PIP.

Section 47 amends s. 628.909, F.S., which applies certain provisions of the Insurance Code to captive insurance companies, to delete references to the No-Fault Law.

Section 48 amends s. 705.184, F.S., which governs derelict or abandoned motor vehicles on the premises of public-use airports, to delete references to s. 627.736, F.S., which is repealed by the bill.

Section 49 amends s. 713.78, F.S., regarding liens for recovering, towing, or storing vehicles and vessels, to delete references to s. 627.736, F.S., which is repealed by the bill.

Section 50 amends s. 817.234, F.S., regarding false and fraudulent insurance claims, to delete references to PIP and replace them with references to MedPay coverage.

Application of Bill and Effective Date

Section 51 applies financial responsibility and medical payments coverage requirements created by the bill as follows:

- Effective January 1, 2019:
 - All Motor vehicle insurance policies issued or renewed may not include PIP.
 - All persons must maintain at least minimum security requirements, which is the ability to respond in damages for liability because of motor vehicle crashes in the amounts required by s. 324.021, F.S.
 - Any new or renewal motor vehicle insurance policy delivered or issued in this state must provide coverage that complies with minimum security requirements.
 - New and renewal motor vehicle insurance policies used to prove financial responsibility must also provide medical payments coverage.
 - An existing motor vehicle insurance policy that provide PIP and property damage liability coverage but do not meet the new bodily injury liability requirements is deemed to meet the bodily injury and MedPay requirements until the policy is renewed, nonrenewed or cancelled on or after January 1, 2019.
- Insurers must allow each insured who has a policy providing PIP which is effective before January 1, 2019, and whose policy does not meet minimum security requirements, to eliminate PIP coverage and obtain coverage providing minimum security requirements effective on or after January 1, 2019. Insurers may not impose additional fees solely to change coverage, but may charge an additional premium that is actuarially indicated.
- By September 1, 2018, each motor vehicle insurer shall provide notice that:

- The Florida Motor Vehicle No-Fault Law is repealed effective January 1, 2019, and that PIP coverage is no longer required or available for purchase.
- That effective January 1, 2019, a person subject to the financial security requirements of s. 324.022, F.S., must maintain medical payments coverage and applicable minimum security requirements for bodily injury liability and property damage liability.
- That a policyholder may obtain underinsured motorist coverage, which provides benefits to a policyholder entitled to recover bodily injury damages resulting from a motor vehicle accident with an uninsured or underinsured owner or operator of a motor vehicle.
- That a policy effective before January 1, 2019, is deemed to meet minimum security requirements until it is renewed, nonrenewed, or canceled.
- That a policyholder may change coverages to eliminate PIP protection and obtain coverage providing minimum security requirements.
- That if the policyholder has any questions, he or she should contact the person named at the telephone number provided in the notice.

This section is effective upon the act becoming a law.

Section 52 requires all suspensions for failure to maintain required security as required by law in effect before January 1, 2019, remain in full force and effect after the effective date of this act. A driver may reinstate a suspended driver's license or registration as provided under s. 324.0221, F.S.

Section 53 provides that except as otherwise expressly provided in the act and this section, which take effect upon this act becoming a law, the act is effective January 1, 2019.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

Bodily injury coverage is not a required coverage under Florida law unless a person is involved in a certain accidents causing bodily injury, convicted of certain offenses, or is otherwise required to maintain BI liability coverage in statute. Failure to maintain BI coverage, when required, can result in the suspension of a license or registration. The reinstatement fee under s. 324.071, F.S., for such suspension under current law is \$15.

Personal Injury Protection and property damage liability coverage are required under Florida law, and failure to maintain them is grounds for the suspension of a license or registration. The reinstatement fee for such suspensions under s. 324.0221, F.S., is \$150 for a first reinstatement, while second and subsequent reinstatements within 3 years of the first reinstatement require fees of \$250 and \$500, respectively.

The bill applies the reinstatement fees for failure to maintain mandatory coverage under s. 324.0221, F.S., to the failure to maintain BI liability coverage because the bill creates a financial responsibility requirement for bodily injury. See the “Government Sector Impact” section below additional information.

B. Private Sector Impact:

The report *Florida Office of Insurance Regulation: Review of Personal Injury Protection Legislation* provides actuarial estimates of the savings expected from repealing the No-Fault Law.⁷¹ The charts in this section are taken from data in Appendix 2 and Appendix 3 of the report.

The following chart provides the statewide average premium for each auto insurance coverage under current law and premium estimates if the No-Fault Law is repealed and replaced with mandatory financial responsibility for bodily injury and mandatory medical payments coverage.

Average Annual Statewide Premium Paid by Coverage and Estimates of Average Statewide Premium⁷²

Coverage	Current Law 10/20/10 PIP/PD	Repeal PIP & Mandate 15/30/5 BI/MedPay	Repeal PIP & Mandate 25/50/5 BI/MedPay
Bodily Injury	\$329.22	\$462.32	\$469.37
PIP/MedPay	\$219.10	\$72.30	\$72.30
Uninsured Motorist	\$111.60	\$122.43	\$122.43
Property Damage	\$180.06	\$180.06	\$180.06
Comprehensive	\$102.03	\$102.03	\$102.03
Collision	\$267.50	\$267.50	\$267.50
TOTAL	\$1,209.51	\$1,206.94	\$1213.69

The chart below provides select average countywide estimates of the change in what policyholders will annually pay in premiums for certain coverages if the No-Fault law is repealed and replaced with a mandate to carry \$5,000 in MedPay insurance coverage and a financial responsibility requirement for bodily injury. The 2016 PIP Study indicated

⁷¹ Office of Insurance Regulation, *Review of Personal Injury Protection Legislation*, (Sept. 13, 2016). Available at <http://www.floir.com/siteDocuments/FLOIRReviewPIP20160913.pdf> (last viewed December 4, 2017).

⁷² The header on the chart details the current minimum mandatory coverage limit for PIP/PD and possible minimum mandatory coverage limits for BI/MedPay. The statewide average premiums are for the coverages at any policy limit, not the minimum required limits under state law.

that replacing the \$10,000 PIP requirement with a \$5,000 MedPay coverage requirement will lower the premium paid for first-party medical motor vehicle insurance coverage. This reduction is offset by increases in premium for bodily injury liability coverage and uninsured motorist's coverage.

County	Avg. MedPay 5	Avg. BI 15/30	Avg. BI 25/50	Avg. UM
Alachua	- \$84.83	+ \$101.03	+ \$106.15	+ \$8.88
Brevard	- \$94.07	+ \$113.84	+ \$119.60	+ \$9.66
Desoto	- \$121.87	+ \$107.98	+ \$113.44	+ \$9.30
Duval	- \$117.42	+ \$124.26	+ \$130.55	+ \$9.39
Escambia	- \$96.47	+ \$101.05	+ \$106.17	+ \$8.30
Hillsborough	- \$177.01	+ \$162.66	+ \$170.89	+ \$12.15
Leon	- \$82.88	+ \$102.79	+ \$107.99	+ \$8.36
Miami/Dade	- \$279.50	+ \$138.64	+ \$145.65	+ \$12.77
Orange	- \$161.52	+ \$131.99	+ \$138.67	+ \$9.94

The 2016 PIP Study estimated that health insurers will cover approximately \$469.7 million of current PIP loss if No-Fault is repealed.⁷³ Health care providers will cover approximately \$32.8 million of current PIP losses. Injured claimants will cover approximately \$82.9 million in current PIP losses.

The Department of Highway Safety and Motor Vehicles believes that the bill may require every operator of a motor vehicle in Florida obtain and maintain property damage liability and bodily injury liability coverage, regardless of whether or not they register a vehicle in this state.⁷⁴ This would mean that 16,568,874 drivers/operators (Source: CY 2017 Licensed Drivers by License Type and County Report) would have to be screened to determine whether they have appropriate insurance when applying for a driver license (i.e., at new issuance, renewal issuance, or replacement issuance). In the process of verifying insurance at the time of issuing/renewing/replacing a driver license, the Department and Tax Collectors would identify a significant number of drivers/operators who would not have the required insurance. Consequently, the number of suspensions for failure to provide proof of financial responsibility would grow exponentially.

Currently, 2,507,914 residents in Florida hold a Florida driver license, but do not have a vehicle registered in their name. These residents would now be forced to purchase a Florida motor vehicle insurance policy or potentially face the suspension of their driver license. Persons possibly impacted by this change may be:

- Residents who must maintain a driver license for employment, but do not own a personal vehicle;

⁷³Office of Insurance Regulation, *Florida Office of Insurance Regulation Review of Personal Injury Protection Legislation*, pg. 6 (September 13, 2016).

⁷⁴ Department of Highway Safety and Motor Vehicles, *2018 Agency Legislative Bill Analysis SB 150* (December 4, 2017).

- Residents who have a driver license to assist non-drivers (elderly, disabled, etc.), but do not own a personal vehicle;
- Students in college who have a driver license as a credential, but do not own a personal vehicle; and
- Inmates who are incarcerated and have a driver license, but do not own a personal vehicle.

C. Government Sector Impact:

The Department of Highway Safety and Motor Vehicles⁷⁵ noted that financial responsibility reinstatement fee for the suspensions identified in s. 324.071, F.S. is increased from \$15 to \$150 for the first offense, \$250 for the second offense, and \$500 for third and subsequent offenses within three years. Assuming a 100% of the liability suspensions will be reinstated, this fee increase will generate \$1.7M in FY 2018-19. This increase is based on the historical and projected number of reinstatements for liability.

Overall, the DHSMV expects the legislation will have an indeterminate, but positive impact on Department revenues related to reinstating a suspension triggered by a lapse in required insurance coverage.

The DHSMV states work would be performed on the its driver licensing system, which is to be replaced as part of the Motorist Modernization Phase I project. The DHSMV has completed gathering and validation requirements for this phase. Development of Motorist Modernization Phase I is slated to finish by August 2019. Additional requirements due to changes in law will result in an increase in the complexity and cost. The DHSMV estimates that 7,869 hours will be required for programming and implementation. These hours are estimated to have a fiscal impact to the DHSMV of \$553,935 in FTE and contracted resources. (Development: 604 hours @ \$40/hour + 4,642 hours @ \$100/hour and Testing: 2,623 hours @ \$25/hour).

The DHSMV also recommends the implementation of an education campaign to raise awareness of the changes to the insurance and financial responsibility laws. This campaign would include, but is not limited to, the initial brand and campaign creation, mass media purchases (television, radio, social media, and online advertisements), printed materials for stakeholders (tax collectors, insurance companies, dealerships, and law enforcement partners), and potential mailing fees. The DHSMV estimates approximately \$5,000,000 would be needed to successfully implement the campaign.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

⁷⁵ Department of Highway Safety and Motor Vehicles, *2018 Agency Legislative Bill Analysis SB 150* (December 4, 2017).

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 316.646, 318.18, 320.02, 320.0609, 320.27, 320.771, 322.251, 322.34, 324.011, 324.021, 324.022, 324.0221, 324.023, 324.031, 324.032, 324.051, 324.071, 324.091, 324.151, 324.161, 324.171, 324.251, 400.9905, 400.991, 400.9935, 409.901, 409.910, 456.057, 456.072, 626.9541, 626.989, 627.06501, 627.0652, 627.0653, 627.4132, 627.7263, 627.727, 627.7275, 627.728, 627.7295, 627.7415, 627.8405, 627.915, 628.909, 705.184, 713.78, and 817.234.

This bill creates section 627.7265 of the Florida Statutes.

This bill repeals the following sections of the Florida Statutes: 627.730, 627.731, 627.7311, 627.732, 627.733, 627.734, 627.736, 627.737, 627.739, 627.7401, 627.7403, 627.7405, and 627.7407.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.



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LEGISLATIVE ACTION

Senate

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House

The Committee on Banking and Insurance (Lee) recommended the following:

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Sections 627.730, 627.731, 627.7311, 627.732, 627.733, 627.734, 627.736, 627.737, 627.739, 627.7401, 627.7403, and 627.7405, Florida Statutes, which comprise the Florida Motor Vehicle No-Fault Law, are repealed.

Section 2. Section 627.7407, Florida Statutes, is repealed.

Section 3. Subsection (1) of section 316.646, Florida



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Statutes, is amended to read:

316.646 Security required; proof of security and display thereof.—

(1) An owner of a motor vehicle required to be registered in this state and an operator of a motor vehicle licensed in this state ~~Any person required by s. 324.022 to maintain property damage liability security, required by s. 324.023 to maintain liability security for bodily injury or death, or required by s. 627.733 to maintain personal injury protection security on a motor vehicle~~ shall have in his or her immediate possession at all times while operating such motor vehicle proper proof of maintenance of the ~~required~~ security required under s. 324.021(7).

(a) Such proof must ~~shall~~ be in a uniform paper or electronic format, as prescribed by the department, a valid insurance policy, an insurance policy binder, a certificate of insurance, or such other proof as may be prescribed by the department.

(b)1. The act of presenting to a law enforcement officer an electronic device displaying proof of insurance in an electronic format does not constitute consent for the officer to access any information on the device other than the displayed proof of insurance.

2. The person who presents the device to the officer assumes the liability for any resulting damage to the device.

Section 4. Paragraph (b) of subsection (2) of section 318.18, Florida Statutes, is amended to read:

318.18 Amount of penalties.—The penalties required for a noncriminal disposition pursuant to s. 318.14 or a criminal



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offense listed in s. 318.17 are as follows:

(2) Thirty dollars for all nonmoving traffic violations and:

(b) For all violations of ss. 320.0605, 320.07(1), 322.065, and 322.15(1). ~~A~~ Any person who is cited for a violation of s. 320.07(1) shall be charged a delinquent fee pursuant to s. 320.07(4).

1. If a person who is cited for a violation of s. 320.0605 or s. 320.07 can show proof of having a valid registration at the time of arrest, the clerk of the court may dismiss the case and may assess a dismissal fee of up to \$10. A person who finds it impossible or impractical to obtain a valid registration certificate must submit an affidavit detailing the reasons for the impossibility or impracticality. The reasons may include, but are not limited to, the fact that the vehicle was sold, stolen, or destroyed; that the state in which the vehicle is registered does not issue a certificate of registration; or that the vehicle is owned by another person.

2. If a person who is cited for a violation of s. 322.03, s. 322.065, or s. 322.15 can show a driver license issued to him or her and valid at the time of arrest, the clerk of the court may dismiss the case and may assess a dismissal fee of up to \$10.

3. If a person who is cited for a violation of s. 316.646 can show proof of security as required by s. 324.021(7) ~~s.~~ ~~627.733~~, issued to the person and valid at the time of arrest, the clerk of the court may dismiss the case and may assess a dismissal fee of up to \$10. A person who finds it impossible or impractical to obtain proof of security must submit an affidavit



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69 detailing the reasons for the impracticality. The reasons may
70 include, but are not limited to, the fact that the vehicle has
71 since been sold, stolen, or destroyed; ~~that the owner or~~
72 ~~registrant of the vehicle is not required by s. 627.733 to~~
73 ~~maintain personal injury protection insurance;~~ or that the
74 vehicle is owned by another person.

75 Section 5. Paragraphs (a) and (d) of subsection (5) of
76 section 320.02, Florida Statutes, are amended to read:

77 320.02 Registration required; application for registration;
78 forms.—

79 (5)(a) Proof that bodily injury liability coverage and
80 property damage liability coverage ~~personal injury protection~~
81 ~~benefits~~ have been purchased if required under s. 324.022, s.
82 324.032, or s. 627.742, that medical payments coverage has been
83 purchased if required under s. 627.7265 ~~s. 627.733, that~~
84 ~~property damage liability coverage has been purchased as~~
85 ~~required under s. 324.022, that bodily injury liability or death~~
86 coverage has been purchased if required under s. 324.023, and
87 that combined bodily liability insurance and property damage
88 liability insurance have been purchased if required under s.
89 627.7415 must ~~shall~~ be provided in the manner prescribed by law
90 by the applicant at the time of application for registration of
91 any motor vehicle that is subject to such requirements. The
92 issuing agent may not ~~shall refuse to~~ issue registration if such
93 proof of purchase is not provided. Insurers shall furnish
94 uniform proof-of-purchase cards in a paper or electronic format
95 in a form prescribed by the department and include the name of
96 the insured's insurance company, the coverage identification
97 number, and the make, year, and vehicle identification number of



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the vehicle insured. The card must contain a statement notifying the applicant of the penalty specified under s. 316.646(4). The card or insurance policy, insurance policy binder, or certificate of insurance or a photocopy of any of these; an affidavit containing the name of the insured's insurance company, the insured's policy number, and the make and year of the vehicle insured; or such other proof as may be prescribed by the department constitutes ~~shall constitute~~ sufficient proof of purchase. If an affidavit is provided as proof, it must be in substantially the following form:

Under penalty of perjury, I ...(Name of insured)... do hereby certify that I have ...(bodily injury liability and ~~Personal Injury Protection~~, property damage liability coverage, and medical payments coverage, and, if required, Bodily Injury Liability)... Insurance currently in effect with ...(Name of insurance company)... under ...(policy number)... covering ...(make, year, and vehicle identification number of vehicle).... ...(Signature of Insured)...

Such affidavit must include the following warning:

WARNING: GIVING FALSE INFORMATION IN ORDER TO OBTAIN A VEHICLE REGISTRATION CERTIFICATE IS A CRIMINAL OFFENSE UNDER FLORIDA LAW. ANYONE GIVING FALSE INFORMATION ON THIS AFFIDAVIT IS SUBJECT TO PROSECUTION.

If an application is made through a licensed motor vehicle dealer as required under s. 319.23, the original or a photocopy



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~~photostatic copy~~ of such card, insurance policy, insurance policy binder, or certificate of insurance or the original affidavit from the insured must ~~shall~~ be forwarded by the dealer to the tax collector of the county or the Department of Highway Safety and Motor Vehicles for processing. By executing the ~~aforesaid~~ affidavit, a ~~no~~ licensed motor vehicle dealer is not ~~will be~~ liable in damages for any inadequacy, insufficiency, or falsification of any statement contained therein. ~~A card must also indicate the existence of any bodily injury liability insurance voluntarily purchased.~~

(d) The verifying of ~~proof of personal injury protection insurance, proof of property damage liability insurance, proof of combined bodily liability insurance and property damage liability insurance, or~~ proof of financial responsibility insurance and the issuance or failure to issue the motor vehicle registration under ~~the provisions of~~ this chapter may not be construed in any court as a warranty of the reliability or accuracy of the evidence of such proof, or that the provisions of any insurance policy furnished as proof of financial responsibility comply with state law. ~~Neither~~ The department or ~~nor~~ any tax collector is not liable in damages for any inadequacy, insufficiency, falsification, or unauthorized modification of any item of ~~the proof of personal injury protection insurance, proof of property damage liability insurance, proof of combined bodily liability insurance and property damage liability insurance, or~~ proof of financial responsibility before ~~insurance prior to~~, during, or subsequent to the verification of the proof. The issuance of a motor vehicle registration does not constitute prima facie evidence or



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a presumption of insurance coverage.

Section 6. Paragraph (b) of subsection (1) of section 320.0609, Florida Statutes, is amended to read:

320.0609 Transfer and exchange of registration license plates; transfer fee.—

(1)

(b) The transfer of a license plate from a vehicle disposed of to a newly acquired vehicle does not constitute a new registration. The application for transfer shall be accepted without requiring proof of ~~personal injury protection or~~ liability insurance.

Section 7. Paragraph (g) is added to subsection (1) of section 320.27, Florida Statutes, and subsection (3) of that section is amended, to read:

320.27 Motor vehicle dealers.—

(1) DEFINITIONS.—The following words, terms, and phrases when used in this section have the meanings respectively ascribed to them in this subsection, except where the context clearly indicates a different meaning:

(g) "Garage liability insurance" means combined single-limit liability coverage, including property damage and bodily injury liability coverage, in the amount of:

1. Beginning January 1, 2019, and continuing through December 31, 2020, at least \$50,000.

2. Beginning January 1, 2021, and continuing through December 31, 2022, at least \$60,000.

3. Beginning January 1, 2023 and thereafter, at least \$70,000.

(3) APPLICATION AND FEE.—The ~~application for the~~ license



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185 application must ~~shall~~ be in such form as may be prescribed by
186 the department and is ~~shall be~~ subject to such rules ~~with~~
187 ~~respect thereto~~ as may be so prescribed by the department ~~it~~.
188 Such application must ~~shall~~ be verified by oath or affirmation
189 and must ~~shall~~ contain a full statement of the name and birth
190 date of the person or persons applying for the license ~~therefor~~;
191 the name of the firm or copartnership, with the names and places
192 of residence of all members ~~thereof~~, if such applicant is a firm
193 or copartnership; the names and places of residence of the
194 principal officers, if the applicant is a body corporate or
195 other artificial body; the name of the state under whose laws
196 the corporation is organized; the present and former place or
197 places of residence of the applicant; and the prior business in
198 which the applicant has been engaged and its ~~the~~ location
199 ~~thereof~~. The ~~Such~~ application must ~~shall~~ describe the exact
200 location of the place of business and must ~~shall~~ state whether
201 the place of business is owned by the applicant and when
202 acquired, or, if leased, a true copy of the lease must ~~shall~~ be
203 attached to the application. The applicant shall certify that
204 the location provides an adequately equipped office and is not a
205 residence; that the location affords sufficient unoccupied space
206 upon and within which adequately to store all motor vehicles
207 offered and displayed for sale; and that the location is a
208 suitable place where the applicant can in good faith carry on
209 such business and keep and maintain books, records, and files
210 necessary to conduct such business, which must ~~shall~~ be
211 available at all reasonable hours to inspection by the
212 department or any of its inspectors or other employees. The
213 applicant shall certify that the business of a motor vehicle



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dealer is the principal business that will ~~which shall~~ be
conducted at that location. The application must ~~shall~~ contain a
statement that the applicant is either franchised by a
manufacturer of motor vehicles, in which case the name of each
motor vehicle that the applicant is franchised to sell must
~~shall~~ be included, or an independent (nonfranchised) motor
vehicle dealer. The application must ~~shall~~ contain other
relevant information as may be required by the department. The
applicant must furnish, including evidence, in a form approved
by the department, that the applicant is insured under a garage
liability insurance policy or a general liability insurance
policy coupled with a business automobile policy having the
garage liability insurance coverage required by this subsection,
~~which shall include, at a minimum, \$25,000 combined single-limit~~
~~liability coverage including bodily injury and property damage~~
~~protection and \$10,000 personal injury protection.~~ However, a
salvage motor vehicle dealer as defined in subparagraph (1)(c)5.
is exempt from the requirements for garage liability insurance
and medical payments coverage insurance and personal injury
protection insurance on those vehicles that cannot be legally
operated on roads, highways, or streets in this state. Franchise
dealers must submit a garage liability insurance policy, and all
other dealers must submit a garage liability insurance policy or
a general liability insurance policy coupled with a business
automobile policy. Such policy must ~~shall~~ be for the license
period, and evidence of a new or continued policy must ~~shall~~ be
delivered to the department at the beginning of each license
period. Upon making an initial application, the applicant shall
pay to the department a fee of \$300 in addition to any other



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fees required by law. Applicants may choose to extend the licensure period for 1 additional year for a total of 2 years. An initial applicant shall pay to the department a fee of \$300 for the first year and \$75 for the second year, in addition to any other fees required by law. An applicant for renewal shall pay to the department \$75 for a 1-year renewal or \$150 for a 2-year renewal, in addition to any other fees required by law. Upon making an application for a change of location, the applicant ~~person~~ shall pay a fee of \$50 in addition to any other fees now required by law. The department shall, in the case of every application for initial licensure, verify whether certain facts set forth in the application are true. Each applicant, general partner in the case of a partnership, or corporate officer and director in the case of a corporate applicant shall ~~must~~ file a set of fingerprints with the department for the purpose of determining any prior criminal record or any outstanding warrants. The department shall submit the fingerprints to the Department of Law Enforcement for state processing and forwarding to the Federal Bureau of Investigation for federal processing. The actual cost of state and federal processing must ~~shall~~ be borne by the applicant and is in addition to the fee for licensure. The department may issue a license to an applicant pending the results of the fingerprint investigation, which license is fully revocable if the department subsequently determines that any facts set forth in the application are not true or correctly represented.

Section 8. Paragraph (j) of subsection (3) of section 320.771, Florida Statutes, is amended to read:

320.771 License required of recreational vehicle dealers.-



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(3) APPLICATION.—The application for such license shall be in the form prescribed by the department and subject to such rules as may be prescribed by it. The application shall be verified by oath or affirmation and shall contain:

(j) A statement that the applicant is insured under a garage liability insurance policy in accordance with s. 320.27(1)(g), ~~which shall include, at a minimum, \$25,000 combined single-limit liability coverage, including bodily injury and property damage protection, and \$10,000 personal injury protection,~~ if the applicant is to be licensed as a dealer in, or intends to sell, recreational vehicles.

The department shall, if it deems necessary, cause an investigation to be made to ascertain if the facts set forth in the application are true and shall not issue a license to the applicant until it is satisfied that the facts set forth in the application are true.

Section 9. Subsections (1) and (2) of section 322.251, Florida Statutes, are amended to read:

322.251 Notice of cancellation, suspension, revocation, or disqualification of license.—

(1) All orders of cancellation, suspension, revocation, or disqualification issued under ~~the provisions of~~ this chapter, chapter 318, or chapter 324 must, ~~or ss. 627.732-627.734 shall~~ be given either by personal delivery thereof to the licensee whose license is being canceled, suspended, revoked, or disqualified or by deposit in the United States mail in an envelope, first class, postage prepaid, addressed to the licensee at his or her last known mailing address furnished to



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the department. Such mailing by the department constitutes notification, and any failure by the person to receive the mailed order will not affect or stay the effective date or term of the cancellation, suspension, revocation, or disqualification of the licensee's driving privilege.

(2) The giving of notice and an order of cancellation, suspension, revocation, or disqualification by mail is complete upon expiration of 20 days after deposit in the United States mail for all notices except those issued under chapter 324 ~~or ss. 627.732-627.734~~, which are complete 15 days after deposit in the United States mail. Proof of the giving of notice and an order of cancellation, suspension, revocation, or disqualification in either manner must ~~shall~~ be made by entry in the records of the department that such notice was given. The entry is admissible in the courts of this state and constitutes sufficient proof that such notice was given.

Section 10. Paragraph (a) of subsection (8) of section 322.34, Florida Statutes, is amended to read:

322.34 Driving while license suspended, revoked, canceled, or disqualified.—

(8)(a) Upon the arrest of a person for the offense of driving while the person's driver license or driving privilege is suspended or revoked, the arresting officer shall determine:

1. Whether the person's driver license is suspended or revoked.

2. Whether the person's driver license has remained suspended or revoked since a conviction for the offense of driving with a suspended or revoked license.

3. Whether the suspension or revocation was made under s.



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316.646 ~~or s. 627.733~~, relating to failure to maintain required security, or under s. 322.264, relating to habitual traffic offenders.

4. Whether the driver is the registered owner or coowner of the vehicle.

Section 11. Section 324.011, Florida Statutes, is amended to read:

324.011 Legislative intent and purpose of chapter.—It is the Legislature's intent of this chapter to ensure that the privilege of owning or operating a motor vehicle in this state be exercised ~~recognize the existing privilege to own or operate a motor vehicle on the public streets and highways of this state when such vehicles are used~~ with due consideration for others' safety ~~others~~ and their property, ~~and~~ to promote safety, and to provide financial security requirements for ~~such~~ owners and ~~or~~ operators whose responsibility it is to recompense others for injury to person or property caused by the operation of a motor vehicle. Therefore, this chapter requires that owners and operators of motor vehicles establish, maintain, and it is ~~required herein that the operator of a motor vehicle involved in a crash or convicted of certain traffic offenses meeting the operative provisions of s. 324.051(2) shall respond for such damages and show proof of financial ability to respond for damages arising out of the ownership, maintenance, or use of a motor vehicle in future accidents as a requisite to owning or operating a motor vehicle in this state his or her future exercise of such privileges.~~

Section 12. Subsections (1) and (7) and paragraph (c) of subsection (9) of section 324.021, Florida Statutes, are



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amended, and subsection (12) is added to that section, to read:

324.021 Definitions; minimum insurance required.—The following words and phrases when used in this chapter shall, for the purpose of this chapter, have the meanings respectively ascribed to them in this section, except in those instances where the context clearly indicates a different meaning:

(1) MOTOR VEHICLE.—Every self-propelled vehicle that is designed and required to be licensed for use upon a highway, including trailers and semitrailers designed for use with such vehicles, except traction engines, road rollers, farm tractors, power shovels, and well drillers, and every vehicle that is propelled by electric power obtained from overhead wires but not operated upon rails, but not including any personal delivery device as defined in s. 316.003, bicycle, or moped. ~~However, the term "motor vehicle" does not include a motor vehicle as defined in s. 627.732(3) when the owner of such vehicle has complied with the requirements of ss. 627.730-627.7405, inclusive, unless the provisions of s. 324.051 apply; and, in such case, the applicable proof of insurance provisions of s. 320.02 apply.~~

(7) PROOF OF FINANCIAL RESPONSIBILITY.—~~That~~ Proof of ability to respond in damages for liability on account of crashes arising out of the ownership, maintenance, or use of a motor vehicle:

(a) With respect to a motor vehicle that is not a commercial motor vehicle, nonpublic sector bus, or for-hire passenger transportation vehicle:

1. Beginning January 1, 2019, and continuing through December 31, 2020, in the amount of:

a. Twenty thousand dollars for ~~\$10,000 because of~~ bodily



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injury to, or the death of, one person in any one crash and,
~~(b)~~ subject to such limits for one person, in the amount of
\$40,000 for \$20,000 because of bodily injury to, or the death
of, two or more persons in any one crash; and

b. Ten thousand dollars for damage to, or destruction of,
property of others in any one crash.

2. Beginning January 1, 2021, and continuing through
December 31, 2022, in the amount of:

a. Twenty-five thousand dollars for bodily injury to, or
the death of, one person in any one crash and, subject to such
limits for one person, in the amount of \$50,000 for bodily
injury to, or the death of, two or more persons in any one
crash; and

b. Ten thousand dollars for damage to, or destruction of,
property of others in any one crash.

3. Beginning January 1, 2023, and continuing thereafter, in
the amount of:

a. Thirty thousand dollars for bodily injury to, or the
death of, one person in any one crash and, subject to such
limits for one person, in the amount of \$60,000 for bodily
injury to, or the death of, two or more persons in any one
crash; and

b. ~~(c)~~ Ten thousand dollars for damage ~~In the amount of~~
~~\$10,000 because of injury~~ to, or destruction of, property of
others in any one crash. ~~and~~

(b) ~~(d)~~ With respect to commercial motor vehicles and
nonpublic sector buses, in the amounts specified in s. 627.7415
ss. 627.7415 and 627.742, respectively.

(c) With respect to nonpublic sector buses, in the amounts



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specified in s. 627.742.

(d) With respect to for-hire passenger transportation vehicles, in the amounts specified in s. 324.032.

(9) OWNER; OWNER/LESSOR.—

(c) *Application*.—

1. The limits on liability in subparagraphs (b)2. and 3. do not apply to an owner of motor vehicles that are used for commercial activity in the owner's ordinary course of business, other than a rental company that rents or leases motor vehicles. For purposes of this paragraph, the term "rental company" includes only an entity that is engaged in the business of renting or leasing motor vehicles to the general public and that rents or leases a majority of its motor vehicles to persons with no direct or indirect affiliation with the rental company. The term also includes a motor vehicle dealer that provides temporary replacement vehicles to its customers for up to 10 days. The term "rental company" also includes:

a. A related rental or leasing company that is a subsidiary of the same parent company as that of the renting or leasing company that rented or leased the vehicle.

b. The holder of a motor vehicle title or an equity interest in a motor vehicle title if the title or equity interest is held pursuant to or to facilitate an asset-backed securitization of a fleet of motor vehicles used solely in the business of renting or leasing motor vehicles to the general public and under the dominion and control of a rental company, as described in this subparagraph, in the operation of such rental company's business.

2. Furthermore, with respect to commercial motor vehicles



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as defined in s. 207.002 or s. 320.01 ~~s. 627.732~~, the limits on liability in subparagraphs (b)2. and 3. do not apply if, at the time of the incident, the commercial motor vehicle is being used in the transportation of materials found to be hazardous for the purposes of the Hazardous Materials Transportation Authorization Act of 1994, as amended, 49 U.S.C. ss. 5101 et seq., and that is required pursuant to such act to carry placards warning others of the hazardous cargo, unless at the time of lease or rental either:

a. The lessee indicates in writing that the vehicle will not be used to transport materials found to be hazardous for the purposes of the Hazardous Materials Transportation Authorization Act of 1994, as amended, 49 U.S.C. ss. 5101 et seq.; or

b. The lessee or other operator of the commercial motor vehicle has in effect insurance with limits of at least \$5 million ~~\$5,000,000~~ combined property damage and bodily injury liability.

(12) FOR-HIRE PASSENGER TRANSPORTATION VEHICLE.—Every “for-hire vehicle” as defined in s. 320.01(15) which is offered or used to provide transportation for persons, including taxicabs, limousines, and jitneys.

Section 13. Section 324.022, Florida Statutes, is amended to read:

324.022 Financial responsibility requirements ~~for property damage.—~~

(1) (a) Every owner or operator of a motor vehicle required to be registered in this state shall establish and continuously maintain the ability to respond in damages for liability on account of accidents arising out of the use of the motor vehicle



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in the amount of:

1. Beginning January 1, 2019, and continuing through
December 31, 2020:

a. Twenty thousand dollars for bodily injury to, or the
death of, one person in any one crash and, subject to such
limits for one person, in the amount of \$40,000 for bodily
injury to, or the death of, two or more persons in any one
crash; and

b. Ten thousand dollars for damage to, or destruction of,
property of others in any one crash.

2. Beginning January 1, 2021, and continuing through
December 31, 2022:

a. Twenty-five thousand dollars for bodily injury to, or
the death of, one person in any one crash and, subject to such
limits for one person, in the amount of \$50,000 for bodily
injury to, or the death of, two or more persons in any one
crash; and

b. Ten thousand dollars for damage to, or destruction of,
property of others in any one crash.

3. Beginning January 1, 2023, and continuing thereafter:

a. Thirty thousand dollars for bodily injury to, or the
death of, one person in any one crash and, subject to such
limits for one person, in the amount of \$60,000 for bodily
injury to, or the death of, two or more persons in any one
crash; and

b. Ten thousand dollars for ~~\$10,000 because of~~ damage to,
or destruction of, property of others in any one crash.

(b) The requirements of paragraph (a) ~~this section~~ may be
met by one of the methods established in s. 324.031; by self-



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insuring as authorized by s. 768.28(16); or by maintaining medical payments coverage under s. 627.7265 and a motor vehicle liability insurance policy that ~~an insurance policy providing coverage for property damage liability in the amount of at least \$10,000 because of damage to, or destruction of, property of others in any one accident arising out of the use of the motor vehicle. The requirements of this section may also be met by having a policy which provides~~ combined property damage liability and bodily injury liability coverage for any one crash arising out of the ownership, maintenance, or use of a motor vehicle which conforms to the requirements of s. 324.151 in the amount of:

1. At least \$50,000 for every owner and operator subject to the financial responsibility required in subparagraph (1)(a)1.

2. At least \$60,000 for every owner and operator subject to the financial responsibility required in subparagraph (1)(a)2.

3. At least \$70,000 for every owner and operator subject to the financial responsibility required in subparagraph (1)(a)3.

~~\$30,000 for combined property damage liability and bodily injury liability for any one crash arising out of the use of the motor vehicle. The policy, with respect to coverage for property damage liability, must meet the applicable requirements of s. 324.151, subject to the usual policy exclusions that have been approved in policy forms by the Office of Insurance Regulation. No insurer shall have any duty to defend uncovered claims irrespective of their joinder with covered claims.~~

(2) As used in this section, the term:

(a) "Motor vehicle" means any self-propelled vehicle that has four or more wheels and that is of a type designed and



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required to be licensed for use on the highways of this state,
and any trailer or semitrailer designed for use with such
vehicle. The term does not include the following:

1. A mobile home as defined in s. 320.01.

2. A motor vehicle that is used in mass transit and
designed to transport more than five passengers, exclusive of
the operator of the motor vehicle, and that is owned by a
municipality, transit authority, or political subdivision of the
state.

3. A school bus as defined in s. 1006.25, which shall
maintain security as required under s. 316.615.

4. A commercial motor vehicle as defined in s. 207.002 or
s. 320.01, which shall maintain security as required under ss.
324.031 and 627.7415.

5. A nonpublic sector bus, which shall maintain security as
required under ss. 324.031 and 627.742.

~~6.4. A vehicle providing for-hire passenger transportation~~
~~vehicle, which that is subject to the provisions of s. 324.031.~~
~~A taxicab shall maintain security as required under s. 324.032~~
~~s. 324.032(1).~~

~~7.5. A personal delivery device as defined in s. 316.003.~~

(b) "Owner" means the person who holds legal title to a
motor vehicle or the debtor or lessee who has the right to
possession of a motor vehicle that is the subject of a security
agreement or lease with an option to purchase.

(3) Each nonresident owner or registrant of a motor vehicle
that, whether operated or not, has been physically present
within this state for more than 90 days during the preceding 365
days shall maintain security as required by subsection (1). The



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security must be that is in effect continuously throughout the period the motor vehicle remains within this state.

(4) An ~~The~~ owner or registrant of a motor vehicle who is ~~exempt from the requirements of this section if she or he is a~~ member of the United States Armed Forces and is called to or on active duty outside the United States in an emergency situation is exempt from this section while he or she. ~~The exemption provided by this subsection applies only as long as the member of the Armed Forces is on such active duty. This exemption outside the United States and applies only while the vehicle covered by the security is not operated by any person. Upon receipt of a written request by the insured to whom the exemption provided in this subsection applies, the insurer shall cancel the coverages and return any unearned premium or suspend the security required by this section. Notwithstanding s. 324.0221(2) s. 324.0221(3), the department may not suspend the registration or operator's license of an any owner or registrant of a motor vehicle during the time she or he qualifies for the an exemption under this subsection. An Any owner or registrant of a motor vehicle who qualifies for the an exemption under this subsection shall immediately notify the department before prior to and at the end of the expiration of the exemption.~~

Section 14. Subsections (1) and (2) of section 324.0221, Florida Statutes, are amended to read:

324.0221 Reports by insurers to the department; suspension of driver license and vehicle registrations; reinstatement.—

(1)(a) Each insurer that has issued a policy providing medical payments coverage or personal injury protection coverage ~~or property damage~~ liability coverage shall report the



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cancellation or nonrenewal thereof to the department within 10 days after the processing date or effective date of each cancellation or nonrenewal. Upon the issuance of a policy providing medical payments coverage or ~~personal injury protection coverage or property damage~~ liability coverage to a named insured not previously insured by the insurer during that calendar year, the insurer shall report the issuance of the new policy to the department within 10 days. The report must ~~shall~~ be in the form ~~and format~~ and contain any information required by the department and must be provided in a format that is compatible with the data processing capabilities of the department. Failure by an insurer to file proper reports with the department as required by this subsection constitutes a violation of the Florida Insurance Code. These records may ~~shall~~ be used by the department only for enforcement and regulatory purposes, including the generation by the department of data regarding compliance by owners of motor vehicles with the requirements for financial responsibility coverage.

(b) With respect to an insurance policy providing medical payments coverage or ~~personal injury protection coverage or property damage~~ liability coverage, each insurer shall notify the named insured, or the first-named insured in the case of a commercial fleet policy, in writing that any cancellation or nonrenewal of the policy will be reported by the insurer to the department. The notice must also inform the named insured that failure to maintain medical payments coverage, bodily injury liability ~~personal injury protection~~ coverage, and property damage liability coverage on a motor vehicle when required by law may result in the loss of registration and driving



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privileges in this state and inform the named insured of the amount of the reinstatement fees required by this section. This notice is for informational purposes only, and an insurer is not civilly liable for failing to provide this notice.

(2) The department shall suspend, after due notice and an opportunity to be heard, the registration and driver license of any owner or registrant of a motor vehicle for ~~with respect to~~ which security is required under s. 324.022, s. 324.032, s. 627.7415, or s. 627.742 ~~ss. 324.022 and 627.733~~ upon:

(a) The department's records showing that the owner or registrant of such motor vehicle did not have the ~~in full force and effect when~~ required security in full force and effect ~~that complies with the requirements of ss. 324.022 and 627.733;~~ or

(b) Notification by the insurer to the department, in a form approved by the department, of cancellation or termination of the required security.

Section 15. Section 324.023, Florida Statutes, is amended to read:

324.023 Financial responsibility for bodily injury or death.—In addition to any other financial responsibility required by law, every owner or operator of a motor vehicle that is required to be registered in this state, or that is located within this state, and who, regardless of adjudication of guilt, has been found guilty of or entered a plea of guilty or nolo contendere to a charge of driving under the influence under s. 316.193 after October 1, 2007, shall, by one of the methods established in s. 324.031(1)(a) or (b) ~~s. 324.031(1) or (2),~~ establish and maintain the ability to respond in damages for liability on account of accidents arising out of the use of a



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motor vehicle in the amount of \$100,000 because of bodily injury to, or death of, one person in any one crash and, subject to such limits for one person, in the amount of \$300,000 because of bodily injury to, or death of, two or more persons in any one crash and in the amount of \$50,000 because of property damage in any one crash. If the owner or operator chooses to establish and maintain such ability by furnishing a certificate of deposit pursuant to s. 324.031(1)(b) ~~s. 324.031(2)~~, such certificate of deposit must be at least \$350,000. Such higher limits must be carried for a minimum period of 3 years. If the owner or operator has not been convicted of driving under the influence or a felony traffic offense for a period of 3 years from the date of reinstatement of driving privileges for a violation of s. 316.193, the owner or operator shall be exempt from this section.

Section 16. Section 324.031, Florida Statutes, is amended to read:

324.031 Manner of proving financial responsibility.—

~~(1) The owner or operator of a taxicab, limousine, jitney, or any other for-hire passenger transportation vehicle may prove financial responsibility by providing satisfactory evidence of holding a motor vehicle liability policy as defined in s. 324.021(8) or s. 324.151, which policy is issued by an insurance carrier which is a member of the Florida Insurance Guaranty Association.~~ The operator or owner of a motor vehicle other than a for-hire passenger transportation vehicle ~~any other vehicle~~ may prove his or her financial responsibility by:

(a) ~~(1)~~ Furnishing satisfactory evidence of holding a motor vehicle liability policy as defined in ss. 324.021(8) and



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324.151;

~~(b)(2)~~ Furnishing a certificate of self-insurance showing a deposit of cash in accordance with s. 324.161; or

~~(c)(3)~~ Furnishing a certificate of self-insurance issued by the department in accordance with s. 324.171.

(2)(a) Any person, ~~including any firm, partnership, association, corporation, or other person, other than a natural person,~~ electing to use the method of proof specified in paragraph (1)(b) ~~subsection (2)~~ shall furnish a certificate of deposit equal to the number of vehicles owned times:

1. Fifty thousand dollars, to a maximum of \$200,000, from January 1, 2019, through December 31, 2020.

2. Sixty thousand dollars, to a maximum of \$240,000, from January 1, 2021, through December 31, 2022.

3. Seventy thousand dollars, ~~\$30,000,~~ to a maximum of \$280,000, from January 1, 2023, and thereafter. ~~\$120,000;~~

(b) In addition, any such person, ~~other than a natural person,~~ shall maintain insurance providing coverage conforming to the requirements of s. 324.151 in excess of the amount of the certificate of deposit, with limits of at least:

1. One hundred twenty-five thousand dollars for bodily injury to, or the death of, one person in any one crash and, subject to such limits for one person, in the amount of \$250,000 for bodily injury to, or the death of, two or more persons in any one crash, and \$50,000 for damage to, or destruction of, property of others in any one crash; or ~~\$10,000/20,000/10,000 or \$30,000 combined single limits, and such excess insurance shall provide minimum limits of \$125,000/250,000/50,000 or \$300,000 combined single limits. These increased limits shall not affect~~



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~~the requirements for proving financial responsibility under s. 324.032(1).~~

2. Three hundred thousand dollars for combined bodily injury liability and property damage liability for any one crash.

Section 17. Section 324.032, Florida Statutes, is amended to read:

324.032 ~~Manner of proving~~ Financial responsibility ~~for~~ for-hire passenger transportation vehicles. ~~Notwithstanding the provisions of s. 324.031:~~

(1) An owner or lessee of a for-hire passenger transportation vehicle that is required to be registered in this state shall establish and continuously maintain the ability to respond in damages for liability on account of accidents arising out of the ownership, maintenance, or use of the for-hire passenger transportation vehicle, in the amount of:

(a) One hundred twenty-five thousand dollars for bodily injury to, or the death of, one person in any one crash and, subject to such limits for one person, in the amount of \$250,000 for bodily injury to, or the death of, two or more persons in any one crash; and ~~A person who is either the owner or a lessee required to maintain insurance under s. 627.733(1) (b) and who operates one or more taxicabs, limousines, jitneys, or any other for-hire passenger transportation vehicles may prove financial responsibility by furnishing satisfactory evidence of holding a motor vehicle liability policy, but with minimum limits of \$125,000/250,000/50,000.~~

(b) Fifty thousand dollars for damage to, or destruction of, property of others in any one crash ~~A person who is either~~



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~~the owner or a lessee required to maintain insurance under s. 324.021(9)(b) and who operates limousines, jitneys, or any other for-hire passenger vehicles, other than taxicabs, may prove financial responsibility by furnishing satisfactory evidence of holding a motor vehicle liability policy as defined in s. 324.031.~~

(2) Except as provided in subsection (3), the requirements of this section must be met by the owner or lessee providing satisfactory evidence of holding a motor vehicle liability policy conforming to the requirements of s. 324.151 which is issued by an insurance carrier that is a member of the Florida Insurance Guaranty Association.

~~(3)(2)~~ An owner or a lessee who ~~is required to maintain insurance under s. 324.021(9)(b) and who~~ operates at least 300 ~~taxicabs, limousines, jitneys, or any other~~ for-hire passenger transportation vehicles may provide financial responsibility by complying with ~~the provisions of~~ s. 324.171, such compliance to be demonstrated by maintaining at its principal place of business an audited financial statement, prepared in accordance with generally accepted accounting principles, and providing to the department a certification issued by a certified public accountant that the applicant's net worth is at least equal to the requirements of s. 324.171 as determined by the Office of Insurance Regulation of the Financial Services Commission, including claims liabilities in an amount certified as adequate by a Fellow of the Casualty Actuarial Society.

Upon request by the department, the applicant shall ~~must~~ provide the department at the applicant's principal place of business in



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this state access to the applicant's underlying financial information and financial statements that provide the basis of the certified public accountant's certification. The applicant shall reimburse the requesting department for all reasonable costs incurred by it in reviewing the supporting information. The maximum amount of self-insurance permissible under this subsection is \$300,000 and must be stated on a per-occurrence basis, and the applicant shall maintain adequate excess insurance issued by an authorized or eligible insurer licensed or approved by the Office of Insurance Regulation. All risks self-insured shall remain with the owner or lessee providing it, and the risks are not transferable to any other person, unless a policy complying with subsections (1) and (2) ~~subsection (1)~~ is obtained.

Section 18. Paragraph (b) of subsection (2) of section 324.051, Florida Statutes, is amended to read:

324.051 Reports of crashes; suspensions of licenses and registrations.—

(2)

(b) This subsection does ~~shall~~ not apply:

1. To such operator or owner if such operator or owner had in effect at the time of such crash or traffic conviction a motor vehicle ~~an automobile~~ liability policy with respect to all of the registered motor vehicles owned by such operator or owner.

2. To such operator, if not the owner of such motor vehicle, if there was in effect at the time of such crash or traffic conviction a motor vehicle ~~an automobile~~ liability policy or bond with respect to his or her operation of motor



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vehicles not owned by him or her.

3. To such operator or owner if the liability of such operator or owner for damages resulting from such crash is, in the judgment of the department, covered by any other form of liability insurance or bond.

4. To any person who has obtained from the department a certificate of self-insurance, in accordance with s. 324.171, or to any person operating a motor vehicle for such self-insurer.

No such policy or bond shall be effective under this subsection unless it contains limits of not less than those specified in s. 324.021(7).

Section 19. Section 324.071, Florida Statutes, is amended to read:

324.071 Reinstatement; renewal of license; reinstatement fee.—~~An~~ Any operator or owner whose license or registration has been suspended pursuant to s. 324.051(2), s. 324.072, s. 324.081, or s. 324.121 may effect its reinstatement upon compliance with ~~the provisions of~~ s. 324.051(2)(a)3. or 4., or s. 324.081(2) and (3), as the case may be, and with one of the provisions of s. 324.031 and upon payment to the department of a nonrefundable reinstatement fee of \$15. Only one such fee may ~~shall~~ be paid by any one person regardless ~~irrespective~~ of the number of licenses and registrations to be then reinstated or issued to such person. ~~All~~ Such fees must ~~shall~~ be deposited to a department trust fund. ~~If~~ When the reinstatement of any license or registration is effected by compliance with s. 324.051(2)(a)3. or 4., the department may ~~shall~~ not renew the license or registration within ~~a period of~~ 3 years after ~~from~~



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such reinstatement, nor may ~~shall~~ any other license or registration be issued in the name of such person, unless the operator continues ~~is continuing~~ to comply with ~~one of the provisions of~~ s. 324.031.

Section 20. Subsection (1) of section 324.091, Florida Statutes, is amended to read:

324.091 Notice to department; notice to insurer.—

(1) Each owner and operator involved in a crash or conviction case within the purview of this chapter shall furnish evidence of automobile liability insurance or motor vehicle liability insurance within 14 days after the date of the mailing of notice of crash by the department in the form and manner as it may designate. Upon receipt of evidence that a ~~an automobile liability policy or~~ motor vehicle liability policy was in effect at the time of the crash or conviction case, the department shall forward to the insurer such information for verification in a method as determined by the department. The insurer shall respond to the department within 20 days after the notice as to whether or not such information is valid. If the department determines that a ~~an automobile liability policy or~~ motor vehicle liability policy was not in effect and did not provide coverage for both the owner and the operator, it must ~~shall~~ take action as it is authorized to do under this chapter.

Section 21. Section 324.151, Florida Statutes, is amended to read:

324.151 Motor vehicle liability policies; required provisions.—

(1) A motor vehicle liability policy that serves as ~~to be~~ proof of financial responsibility under s. 324.031(1) must ~~shall~~



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~~shall~~ be issued to owners or operators of motor vehicles under the following provisions:

(a) A motor vehicle ~~An owner's~~ liability insurance policy issued to an owner of a motor vehicle registered in this state ~~must shall~~ designate by explicit description or by appropriate reference all motor vehicles for ~~with respect to~~ which coverage is thereby granted. The policy must ~~and shall~~ insure the person or persons ~~owner~~ named therein and any other person as operator using such motor vehicle or motor vehicles with the express or implied permission of such owner against loss from the liability imposed by law for damage arising out of the ownership, maintenance, or use of any such motor vehicle or motor vehicles within the United States or the Dominion of Canada, subject to limits, exclusive of interest and costs with respect to each such motor vehicle as is provided for under s. 324.021(7). Insurers may make available, with respect to property damage liability coverage, a deductible amount not to exceed \$500. In the event of a property damage loss covered by a policy containing a property damage deductible provision, the insurer shall pay to the third-party claimant the amount of any property damage liability settlement or judgment, subject to policy limits, as if no deductible existed.

(b) An operator's motor vehicle liability policy of insurance must ~~shall~~ insure the person or persons named therein against loss from the liability imposed ~~upon him or her~~ by law for damages arising out of the use by the person of any motor vehicle not owned by him or her, with the same territorial limits and subject to the same limits of liability as referred to above with respect to an owner's policy of liability



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insurance.

(c) All such motor vehicle liability policies must ~~shall~~ state the name and address of the named insured, the coverage afforded by the policy, the premium charged therefor, the policy period, the limits of liability, and must ~~shall~~ contain an agreement or be endorsed that insurance is provided in accordance with the coverage defined in this chapter ~~as respects bodily injury and death or property damage or both~~ and is subject to all provisions of this chapter. The said policies must ~~shall~~ also contain a provision that the satisfaction by an insured of a judgment for such injury or damage may ~~shall~~ not be a condition precedent to the right or duty of the insurance carrier to make payment on account of such injury or damage, and must ~~shall~~ also contain a provision that bankruptcy or insolvency of the insured or of the insured's estate may ~~shall~~ not relieve the insurance carrier of any of its obligations under the said policy.

(2) ~~The provisions of~~ This section is ~~shall~~ not be applicable to any automobile liability policy unless and until it is furnished as proof of financial responsibility for the future pursuant to s. 324.031, and then only from and after the date the said policy is so furnished.

Section 22. Section 324.161, Florida Statutes, is amended to read:

324.161 Proof of financial responsibility; deposit.—If a person elects to prove his or her financial responsibility under the method of proof specified in s. 324.031(1)(b), he or she must obtain proof of a certificate of deposit annually, in the amount required under s. 324.031(2), from a financial



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institution insured by the Federal Deposit Insurance Corporation
or the National Credit Union Administration. Proof of such
certificate of deposit ~~Annually, before any certificate of~~
~~insurance may be issued to a person, including any firm,~~
~~partnership, association, corporation, or other person, other~~
~~than a natural person, proof of a certificate of deposit of~~
~~\$30,000 issued and held by a financial institution~~ must be
submitted to the department annually. A power of attorney will
be issued to and held by the department and may be executed upon
a judgment issued against such person making the deposit, for
damages for ~~because of~~ bodily injury to or death of any person
or for damages for ~~because of~~ injury to or destruction of
property resulting from the use or operation of any motor
vehicle occurring after such deposit was made. Money so
deposited is ~~shall~~ not be subject to attachment or execution
unless such attachment or execution arises ~~shall arise~~ out of a
lawsuit ~~suit~~ for such damages ~~as aforesaid~~.

Section 23. Subsections (1) and (2) of section 324.171,
Florida Statutes, are amended to read:

324.171 Self-insurer.—

(1) A ~~Any~~ person may qualify as a self-insurer by obtaining
a certificate of self-insurance from the department. ~~which may,~~
~~in its discretion and~~ Upon application of such a person, the
department may issue a said certificate of self-insurance if the
applicant ~~when such person~~ has satisfied the requirements of
this section ~~to qualify as a self-insurer under this section:~~

(a) A private individual with private passenger vehicles
must ~~shall~~ possess a net unencumbered worth: of

1. Beginning January 1, 2019, through December 31, 2020, of



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at least \$80,000.

2. Beginning January 1, 2021, through December 31, 2022, of
at least \$100,000.

3. Beginning January 1, 2023, and thereafter, of at least
\$120,000 ~~\$40,000~~.

(b) A person, including any firm, partnership, association, corporation, or other person, other than a natural person, must ~~shall~~:

1. Possess a net unencumbered worth: ~~of~~

a. Beginning January 1, 2019, through December 31, 2020, of
at least \$80,000 for the first motor vehicle and \$40,000 for
each additional motor vehicle.

b. Beginning January 1, 2021, through December 31, 2022, of
at least \$100,000 for the first motor vehicle and \$50,000 for
each additional motor vehicle.

c. Beginning January 1, 2023, and thereafter, of at least
\$120,000 ~~\$40,000~~ for the first motor vehicle and \$60,000 ~~\$20,000~~
for each additional motor vehicle; or

2. Maintain sufficient net worth, in an amount determined
by the department, to be financially responsible for potential
losses. The department shall annually determine the minimum net
worth sufficient to satisfy this subparagraph ~~as determined~~
~~annually by the department,~~ pursuant to rules adopted
~~promulgated~~ by the department, with the assistance of the Office
of Insurance Regulation of the Financial Services Commission, ~~to~~
~~be financially responsible for potential losses.~~ The rules must
consider any ~~shall take into consideration~~ excess insurance
carried by the applicant. The department's determination must
~~shall~~ be based upon reasonable actuarial principles considering



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the frequency, severity, and loss development of claims incurred by casualty insurers writing coverage on the type of motor vehicles for which a certificate of self-insurance is desired.

(c) The owner of a commercial motor vehicle, as defined in s. 207.002 or s. 320.01, may qualify as a self-insurer subject to the standards provided ~~for~~ in subparagraph (b)2.

(2) The self-insurance certificate must ~~shall~~ provide limits of liability insurance in the amounts specified under s. 324.021(7) ~~or s. 627.7415 and shall provide personal injury protection coverage under s. 627.733(3)(b).~~

Section 24. Section 324.251, Florida Statutes, is amended to read:

324.251 Short title.—This chapter may be cited as the “Financial Responsibility Law of 2018 1955” and is ~~shall become~~ effective at 12:01 a.m., January 1, 2019 ~~October 1, 1955~~.

Section 25. Subsection (4) of section 400.9905, Florida Statutes, is amended to read:

400.9905 Definitions.—

(4) “Clinic” means an entity where health care services are provided to individuals and which tenders charges for reimbursement for such services, including a mobile clinic and a portable equipment provider. As used in this part, the term does not include and the licensure requirements of this part do not apply to:

(a) Entities licensed or registered by the state under chapter 395; entities licensed or registered by the state and providing only health care services within the scope of services authorized under their respective licenses under ss. 383.30-383.335, chapter 390, chapter 394, chapter 397, this chapter



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except part X, chapter 429, chapter 463, chapter 465, chapter 466, chapter 478, part I of chapter 483, chapter 484, or chapter 651; end-stage renal disease providers authorized under 42 C.F.R. part 405, subpart U; providers certified under 42 C.F.R. part 485, subpart B or subpart H; or any entity that provides neonatal or pediatric hospital-based health care services or other health care services by licensed practitioners solely within a hospital licensed under chapter 395.

(b) Entities that own, directly or indirectly, entities licensed or registered by the state pursuant to chapter 395; entities that own, directly or indirectly, entities licensed or registered by the state and providing only health care services within the scope of services authorized pursuant to their respective licenses under ss. 383.30-383.335, chapter 390, chapter 394, chapter 397, this chapter except part X, chapter 429, chapter 463, chapter 465, chapter 466, chapter 478, part I of chapter 483, chapter 484, or chapter 651; end-stage renal disease providers authorized under 42 C.F.R. part 405, subpart U; providers certified under 42 C.F.R. part 485, subpart B or subpart H; or any entity that provides neonatal or pediatric hospital-based health care services by licensed practitioners solely within a hospital licensed under chapter 395.

(c) Entities that are owned, directly or indirectly, by an entity licensed or registered by the state pursuant to chapter 395; entities that are owned, directly or indirectly, by an entity licensed or registered by the state and providing only health care services within the scope of services authorized pursuant to their respective licenses under ss. 383.30-383.335, chapter 390, chapter 394, chapter 397, this chapter except part



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X, chapter 429, chapter 463, chapter 465, chapter 466, chapter 478, part I of chapter 483, chapter 484, or chapter 651; end-stage renal disease providers authorized under 42 C.F.R. part 405, subpart U; providers certified under 42 C.F.R. part 485, subpart B or subpart H; or any entity that provides neonatal or pediatric hospital-based health care services by licensed practitioners solely within a hospital under chapter 395.

(d) Entities that are under common ownership, directly or indirectly, with an entity licensed or registered by the state pursuant to chapter 395; entities that are under common ownership, directly or indirectly, with an entity licensed or registered by the state and providing only health care services within the scope of services authorized pursuant to their respective licenses under ss. 383.30-383.335, chapter 390, chapter 394, chapter 397, this chapter except part X, chapter 429, chapter 463, chapter 465, chapter 466, chapter 478, part I of chapter 483, chapter 484, or chapter 651; end-stage renal disease providers authorized under 42 C.F.R. part 405, subpart U; providers certified under 42 C.F.R. part 485, subpart B or subpart H; or any entity that provides neonatal or pediatric hospital-based health care services by licensed practitioners solely within a hospital licensed under chapter 395.

(e) An entity that is exempt from federal taxation under 26 U.S.C. s. 501(c)(3) or (4), an employee stock ownership plan under 26 U.S.C. s. 409 that has a board of trustees at least two-thirds of which are Florida-licensed health care practitioners and provides only physical therapy services under physician orders, any community college or university clinic, and any entity owned or operated by the federal or state



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government, including agencies, subdivisions, or municipalities thereof.

(f) A sole proprietorship, group practice, partnership, or corporation that provides health care services by physicians covered by s. 627.419, that is directly supervised by one or more of such physicians, and that is wholly owned by one or more of those physicians or by a physician and the spouse, parent, child, or sibling of that physician.

(g) A sole proprietorship, group practice, partnership, or corporation that provides health care services by licensed health care practitioners under chapter 457, chapter 458, chapter 459, chapter 460, chapter 461, chapter 462, chapter 463, chapter 466, chapter 467, chapter 480, chapter 484, chapter 486, chapter 490, chapter 491, or part I, part III, part X, part XIII, or part XIV of chapter 468, or s. 464.012, and that is wholly owned by one or more licensed health care practitioners, or the licensed health care practitioners set forth in this paragraph and the spouse, parent, child, or sibling of a licensed health care practitioner if one of the owners who is a licensed health care practitioner is supervising the business activities and is legally responsible for the entity's compliance with all federal and state laws. However, a health care practitioner may not supervise services beyond the scope of the practitioner's license, except that, for the purposes of this part, a clinic owned by a licensee in s. 456.053(3)(b) which provides only services authorized pursuant to s. 456.053(3)(b) may be supervised by a licensee specified in s. 456.053(3)(b).

(h) Clinical facilities affiliated with an accredited



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medical school at which training is provided for medical students, residents, or fellows.

(i) Entities that provide only oncology or radiation therapy services by physicians licensed under chapter 458 or chapter 459 or entities that provide oncology or radiation therapy services by physicians licensed under chapter 458 or chapter 459 which are owned by a corporation whose shares are publicly traded on a recognized stock exchange.

(j) Clinical facilities affiliated with a college of chiropractic accredited by the Council on Chiropractic Education at which training is provided for chiropractic students.

(k) Entities that provide licensed practitioners to staff emergency departments or to deliver anesthesia services in facilities licensed under chapter 395 and that derive at least 90 percent of their gross annual revenues from the provision of such services. Entities claiming an exemption from licensure under this paragraph must provide documentation demonstrating compliance.

(l) Orthotic, prosthetic, pediatric cardiology, or perinatology clinical facilities or anesthesia clinical facilities that are not otherwise exempt under paragraph (a) or paragraph (k) and that are a publicly traded corporation or are wholly owned, directly or indirectly, by a publicly traded corporation. As used in this paragraph, a publicly traded corporation is a corporation that issues securities traded on an exchange registered with the United States Securities and Exchange Commission as a national securities exchange.

(m) Entities that are owned by a corporation that has \$250 million or more in total annual sales of health care services



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provided by licensed health care practitioners where one or more of the persons responsible for the operations of the entity is a health care practitioner who is licensed in this state and who is responsible for supervising the business activities of the entity and is responsible for the entity's compliance with state law for purposes of this part.

(n) Entities that employ 50 or more licensed health care practitioners licensed under chapter 458 or chapter 459 where the billing for medical services is under a single tax identification number. The application for exemption under this subsection must include ~~shall contain information that includes:~~ the name, residence, and business address and telephone ~~phone~~ number of the entity that owns the practice; a complete list of the names and contact information of all the officers and directors of the corporation; the name, residence address, business address, and medical license number of each licensed Florida health care practitioner employed by the entity; the corporate tax identification number of the entity seeking an exemption; a listing of health care services to be provided by the entity at the health care clinics owned or operated by the entity; and a certified statement prepared by an independent certified public accountant which states that the entity and the health care clinics owned or operated by the entity have not received payment for health care services under medical payments ~~personal injury protection~~ insurance coverage for the preceding year. If the agency determines that an entity that ~~which~~ is exempt under this subsection has received payments for medical services under medical payments ~~personal injury protection~~ insurance coverage, the agency may deny or revoke the exemption



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from licensure under this subsection.

Notwithstanding this subsection, an entity shall be deemed a clinic and must be licensed under this part in order to receive medical payments coverage reimbursement under s. 627.7265 ~~the Florida Motor Vehicle No-Fault Law, ss. 627.730-627.7405, unless exempted under s. 627.736(5)(h).~~

Section 26. Subsection (6) of section 400.991, Florida Statutes, is amended to read:

400.991 License requirements; background screenings; prohibitions.—

(6) All agency forms for licensure application or exemption from licensure under this part must contain the following statement:

INSURANCE FRAUD NOTICE.—A person commits a fraudulent insurance act, as defined in s. 626.989, Florida Statutes, if the person ~~who~~ knowingly submits a false, misleading, or fraudulent application or other document when applying for licensure as a health care clinic, seeking an exemption from licensure as a health care clinic, or demonstrating compliance with part X of chapter 400, Florida Statutes, with the intent to use the license, exemption from licensure, or demonstration of compliance to provide services or seek reimbursement under a motor vehicle liability insurance policy's medical payments coverage ~~the Florida Motor Vehicle No-Fault Law, commits a fraudulent insurance act, as defined in s. 626.989,~~



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~~Florida Statutes.~~ A person who presents a claim for
benefits under medical payments coverage, personal
~~injury protection benefits~~ knowing that the payee
knowingly submitted such health care clinic
application or document, commits insurance fraud, as
defined in s. 817.234, Florida Statutes.

Section 27. Paragraph (g) of subsection (1) of section
400.9935, Florida Statutes, is amended to read:

400.9935 Clinic responsibilities.—

(1) Each clinic shall appoint a medical director or clinic
director who shall agree in writing to accept legal
responsibility for the following activities on behalf of the
clinic. The medical director or the clinic director shall:

(g) Conduct systematic reviews of clinic billings to ensure
that the billings are not fraudulent or unlawful. Upon discovery
of an unlawful charge, the medical director or clinic director
shall take immediate corrective action. If the clinic performs
only the technical component of magnetic resonance imaging,
static radiographs, computed tomography, or positron emission
tomography, and provides the professional interpretation of such
services, in a fixed facility that is accredited by a national
accrediting organization that is approved by the Centers for
Medicare and Medicaid Services for magnetic resonance imaging
and advanced diagnostic imaging services and if, in the
preceding quarter, the percentage of scans performed by that
clinic which was billed to motor vehicle ~~all personal injury~~
~~protection~~ insurance carriers under medical payments coverage
was less than 15 percent, the chief financial officer of the
clinic may, in a written acknowledgment provided to the agency,



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assume the responsibility for the conduct of the systematic reviews of clinic billings to ensure that the billings are not fraudulent or unlawful.

Section 28. Subsection (28) of section 409.901, Florida Statutes, is amended to read:

409.901 Definitions; ss. 409.901-409.920.—As used in ss. 409.901-409.920, except as otherwise specifically provided, the term:

(28) "Third-party benefit" means any benefit that is or may be available at any time through contract, court award, judgment, settlement, agreement, or any arrangement between a third party and any person or entity, including, without limitation, a Medicaid recipient, a provider, another third party, an insurer, or the agency, for any Medicaid-covered injury, illness, goods, or services, including costs of medical services related thereto, for bodily ~~personal~~ injury or for death of the recipient, but specifically excluding ~~policies of~~ life insurance policies on the recipient, unless available under terms of the policy to pay medical expenses before ~~prior to~~ death. The term includes, without limitation, collateral, as defined in this section, health insurance, any benefit under a health maintenance organization, a preferred provider arrangement, a prepaid health clinic, liability insurance, uninsured motorist insurance, medical payments coverage ~~or~~ ~~personal injury protection coverage~~, medical benefits under workers' compensation, and any obligation under law or equity to provide medical support.

Section 29. Paragraph (f) of subsection (11) of section 409.910, Florida Statutes, is amended to read:



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409.910 Responsibility for payments on behalf of Medicaid-eligible persons when other parties are liable.—

(11) The agency may, as a matter of right, in order to enforce its rights under this section, institute, intervene in, or join any legal or administrative proceeding in its own name in one or more of the following capacities: individually, as subrogee of the recipient, as assignee of the recipient, or as lienholder of the collateral.

(f) Notwithstanding any provision in this section to the contrary, in the event of an action in tort against a third party in which the recipient or his or her legal representative is a party which results in a judgment, award, or settlement from a third party, the amount recovered shall be distributed as follows:

1. After attorney ~~attorney's~~ fees and taxable costs as defined by the Florida Rules of Civil Procedure, one-half of the remaining recovery shall be paid to the agency up to the total amount of medical assistance provided by Medicaid.

2. The remaining amount of the recovery shall be paid to the recipient.

3. For purposes of calculating the agency's recovery of medical assistance benefits paid, the fee for services of an attorney retained by the recipient or his or her legal representative shall be calculated at 25 percent of the judgment, award, or settlement.

4. Notwithstanding any other provision of this section to the contrary, the agency shall be entitled to all medical coverage benefits up to the total amount of medical assistance provided by Medicaid. For purposes of this paragraph, the term



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"medical coverage" means any benefits under health insurance, a health maintenance organization, a preferred provider arrangement, or a prepaid health clinic, and the portion of benefits designated for medical payments under ~~coverage for~~ workers' compensation coverage, motor vehicle insurance coverage, personal injury protection, and casualty coverage.

Section 30. Paragraph (k) of subsection (2) of section 456.057, Florida Statutes, is amended to read:

456.057 Ownership and control of patient records; report or copies of records to be furnished; disclosure of information.—

(2) As used in this section, the terms "records owner," "health care practitioner," and "health care practitioner's employer" do not include any of the following persons or entities; furthermore, the following persons or entities are not authorized to acquire or own medical records, but are authorized under the confidentiality and disclosure requirements of this section to maintain those documents required by the part or chapter under which they are licensed or regulated:

(k) Persons or entities practicing under s. 627.7265 ~~as~~ ~~627.736(7)~~.

Section 31. Paragraphs (ee) and (ff) of subsection (1) of section 456.072, Florida Statutes, are amended to read:

456.072 Grounds for discipline; penalties; enforcement.—

(1) The following acts shall constitute grounds for which the disciplinary actions specified in subsection (2) may be taken:

(ee) With respect to making a medical payments coverage ~~personal injury protection~~ claim under s. 627.7265 ~~as required by s. 627.736~~, intentionally submitting a claim, statement, or



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bill that has been upcoded. As used in this paragraph, the term "upcoded" means an action that submits a billing code that would result in payment greater in amount than would be paid using a billing code that accurately describes the services performed. The term does not include an otherwise lawful bill by a magnetic resonance imaging facility, which globally combines both technical and professional components, if the amount of the global bill is not more than the components if billed separately; however, payment of such a bill constitutes payment in full for all components of such service ~~"upcoded" as defined in s. 627.732.~~

(ff) With respect to making a medical payments coverage ~~personal injury protection~~ claim as required under s. 627.7265 ~~by s. 627.736~~, intentionally submitting a claim, statement, or bill for payment of services that were not rendered.

Section 32. Paragraphs (i) and (o) of subsection (1) of section 626.9541, Florida Statutes, are amended to read:

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

(1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE ACTS.—The following are defined as unfair methods of competition and unfair or deceptive acts or practices:

(i) *Unfair claim settlement practices*.—

1. Attempting to settle claims on the basis of an application, when serving as a binder or intended to become a part of the policy, or any other material document which was altered without notice to, or knowledge or consent of, the insured;

2. A material misrepresentation made to an insured or any



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other person having an interest in the proceeds payable under such contract or policy, for the purpose and with the intent of effecting settlement of such claims, loss, or damage under such contract or policy on less favorable terms than those provided in, and contemplated by, such contract or policy; ~~or~~

3. Committing or performing with such frequency as to indicate a general business practice any of the following:

a. Failing to adopt and implement standards for the proper investigation of claims;

b. Misrepresenting pertinent facts or insurance policy provisions relating to coverages at issue;

c. Failing to acknowledge and act promptly upon communications with respect to claims;

d. Denying claims without conducting reasonable investigations based upon available information;

e. Failing to affirm or deny full or partial coverage of claims, and, as to partial coverage, the dollar amount or extent of coverage, or failing to provide a written statement that the claim is being investigated, upon the written request of the insured within 30 days after proof-of-loss statements have been completed;

f. Failing to promptly provide a reasonable explanation in writing to the insured of the basis in the insurance policy, in relation to the facts or applicable law, for denial of a claim or for the offer of a compromise settlement;

g. Failing to promptly notify the insured of any additional information necessary for the processing of a claim; or

h. Failing to clearly explain the nature of the requested information and the reasons why such information is necessary.



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~~i. Failing to pay personal injury protection insurance claims within the time periods required by s. 627.736(4)(b). The office may order the insurer to pay restitution to a policyholder, medical provider, or other claimant, including interest at a rate consistent with the amount set forth in s. 55.03(1), for the time period within which an insurer fails to pay claims as required by law. Restitution is in addition to any other penalties allowed by law, including, but not limited to, the suspension of the insurer's certificate of authority.~~

4. Failing to pay undisputed amounts of partial or full benefits owed under first-party property insurance policies within 90 days after an insurer receives notice of a residential property insurance claim, determines the amounts of partial or full benefits, and agrees to coverage, unless payment of the undisputed benefits is prevented by an act of God, prevented by the impossibility of performance, or due to actions by the insured or claimant that constitute fraud, lack of cooperation, or intentional misrepresentation regarding the claim for which benefits are owed.

(o) *Illegal dealings in premiums; excess or reduced charges for insurance.*—

1. Knowingly collecting any sum as a premium or charge for insurance, which is not then provided, or is not in due course to be provided, subject to acceptance of the risk by the insurer, by an insurance policy issued by an insurer as permitted by this code.

2. Knowingly collecting as a premium or charge for insurance any sum in excess of or less than the premium or charge applicable to such insurance, in accordance with the



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applicable classifications and rates as filed with and approved by the office, and as specified in the policy; or, in cases when classifications, premiums, or rates are not required by this code to be so filed and approved, premiums and charges collected from a Florida resident in excess of or less than those specified in the policy and as fixed by the insurer.

Notwithstanding any other provision of law, this provision shall not be deemed to prohibit the charging and collection, by surplus lines agents licensed under part VIII of this chapter, of the amount of applicable state and federal taxes, or fees as authorized by s. 626.916(4), in addition to the premium required by the insurer or the charging and collection, by licensed agents, of the exact amount of any discount or other such fee charged by a credit card facility in connection with the use of a credit card, as authorized by subparagraph (q)3., in addition to the premium required by the insurer. This subparagraph shall not be construed to prohibit collection of a premium for a universal life or a variable or indeterminate value insurance policy made in accordance with the terms of the contract.

3.a. Imposing or requesting an additional premium for bodily injury liability coverage, property damage liability coverage ~~a policy of motor vehicle liability, personal injury protection,~~ medical payment coverage, or collision coverage in a motor vehicle liability insurance policy ~~insurance or any combination thereof~~ or refusing to renew the policy solely because the insured was involved in a motor vehicle accident unless the insurer's file contains information from which the insurer in good faith determines that the insured was substantially at fault in the accident.



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b. An insurer which imposes and collects such a surcharge or which refuses to renew such policy shall, in conjunction with the notice of premium due or notice of nonrenewal, notify the named insured that he or she is entitled to reimbursement of such amount or renewal of the policy under the conditions listed below and will subsequently reimburse him or her or renew the policy, if the named insured demonstrates that the operator involved in the accident was:

(I) Lawfully parked;

(II) Reimbursed by, or on behalf of, a person responsible for the accident or has a judgment against such person;

(III) Struck in the rear by another vehicle headed in the same direction and was not convicted of a moving traffic violation in connection with the accident;

(IV) Hit by a "hit-and-run" driver, if the accident was reported to the proper authorities within 24 hours after discovering the accident;

(V) Not convicted of a moving traffic violation in connection with the accident, but the operator of the other automobile involved in such accident was convicted of a moving traffic violation;

(VI) Finally adjudicated not to be liable by a court of competent jurisdiction;

(VII) In receipt of a traffic citation which was dismissed or nolle prossed; or

(VIII) Not at fault as evidenced by a written statement from the insured establishing facts demonstrating lack of fault which are not rebutted by information in the insurer's file from which the insurer in good faith determines that the insured was



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substantially at fault.

c. In addition to the other provisions of this subparagraph, an insurer may not fail to renew a policy if the insured has had only one accident in which he or she was at fault within the current 3-year period. However, an insurer may nonrenew a policy for reasons other than accidents in accordance with s. 627.728. This subparagraph does not prohibit nonrenewal of a policy under which the insured has had three or more accidents, regardless of fault, during the most recent 3-year period.

4. Imposing or requesting an additional premium for, or refusing to renew, a policy for motor vehicle insurance solely because the insured committed a noncriminal traffic infraction as described in s. 318.14 unless the infraction is:

a. A second infraction committed within an 18-month period, or a third or subsequent infraction committed within a 36-month period.

b. A violation of s. 316.183, when such violation is a result of exceeding the lawful speed limit by more than 15 miles per hour.

5. Upon the request of the insured, the insurer and licensed agent shall supply to the insured the complete proof of fault or other criteria which justifies the additional charge or cancellation.

6. No insurer shall impose or request an additional premium for motor vehicle insurance, cancel or refuse to issue a policy, or refuse to renew a policy because the insured or the applicant is a handicapped or physically disabled person, so long as such handicap or physical disability does not substantially impair



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such person's mechanically assisted driving ability.

7. No insurer may cancel or otherwise terminate any insurance contract or coverage, or require execution of a consent to rate endorsement, during the stated policy term for the purpose of offering to issue, or issuing, a similar or identical contract or coverage to the same insured with the same exposure at a higher premium rate or continuing an existing contract or coverage with the same exposure at an increased premium.

8. No insurer may issue a nonrenewal notice on any insurance contract or coverage, or require execution of a consent to rate endorsement, for the purpose of offering to issue, or issuing, a similar or identical contract or coverage to the same insured at a higher premium rate or continuing an existing contract or coverage at an increased premium without meeting any applicable notice requirements.

9. No insurer shall, with respect to premiums charged for motor vehicle insurance, unfairly discriminate solely on the basis of age, sex, marital status, or scholastic achievement.

10. Imposing or requesting an additional premium for motor vehicle comprehensive or uninsured motorist coverage solely because the insured was involved in a motor vehicle accident or was convicted of a moving traffic violation.

11. No insurer shall cancel or issue a nonrenewal notice on any insurance policy or contract without complying with any applicable cancellation or nonrenewal provision required under the Florida Insurance Code.

12. No insurer shall impose or request an additional premium, cancel a policy, or issue a nonrenewal notice on any



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insurance policy or contract because of any traffic infraction when adjudication has been withheld and no points have been assessed pursuant to s. 318.14(9) and (10). However, this subparagraph does not apply to traffic infractions involving accidents in which the insurer has incurred a loss due to the fault of the insured.

Section 33. Paragraph (a) of subsection (1) of section 626.989, Florida Statutes, is amended to read:

626.989 Investigation by department or Division of Investigative and Forensic Services; compliance; immunity; confidential information; reports to division; division investigator's power of arrest.—

(1) For the purposes of this section:

(a) A person commits a "fraudulent insurance act" if the person:

1. Knowingly and with intent to defraud presents, causes to be presented, or prepares with knowledge or belief that it will be presented, to or by an insurer, self-insurer, self-insurance fund, servicing corporation, purported insurer, broker, or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of, any insurance policy, or a claim for payment or other benefit pursuant to any insurance policy, which the person knows to contain materially false information concerning any fact material thereto or if the person conceals, for the purpose of misleading another, information concerning any fact material thereto.

2. Knowingly submits:

a. A false, misleading, or fraudulent application or other



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document when applying for licensure as a health care clinic, seeking an exemption from licensure as a health care clinic, or demonstrating compliance with part X of chapter 400 with an intent to use the license, exemption from licensure, or demonstration of compliance to provide services or seek reimbursement under a motor vehicle liability insurance policy's medical payments coverage ~~the Florida Motor Vehicle No-Fault Law~~.

b. A claim for payment or other benefit under medical payments coverage ~~pursuant to a personal injury protection insurance policy under the Florida Motor Vehicle No-Fault Law~~ if the person knows that the payee knowingly submitted a false, misleading, or fraudulent application or other document when applying for licensure as a health care clinic, seeking an exemption from licensure as a health care clinic, or demonstrating compliance with part X of chapter 400.

Section 34. Subsection (1) of section 627.06501, Florida Statutes, is amended to read:

627.06501 Insurance discounts for certain persons completing driver improvement course.—

(1) Any rate, rating schedule, or rating manual for the liability, medical payments ~~personal injury protection~~, and collision coverages of a motor vehicle insurance policy filed with the office may provide for an appropriate reduction in premium charges as to such coverages if ~~when~~ the principal operator on the covered vehicle has successfully completed a driver improvement course approved and certified by the Department of Highway Safety and Motor Vehicles which is effective in reducing crash or violation rates, or both, as



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determined pursuant to s. 318.1451(5). Any discount, not to exceed 10 percent, used by an insurer is presumed to be appropriate unless credible data demonstrates otherwise.

Section 35. Subsection (1) of section 627.0652, Florida Statutes, is amended to read:

627.0652 Insurance discounts for certain persons completing safety course.—

(1) Any rates, rating schedules, or rating manuals for the liability, medical payments ~~personal injury protection~~, and collision coverages of a motor vehicle insurance policy filed with the office must ~~shall~~ provide for an appropriate reduction in premium charges as to such coverages if ~~when~~ the principal operator on the covered vehicle is an insured 55 years of age or older who has successfully completed a motor vehicle accident prevention course approved by the Department of Highway Safety and Motor Vehicles. Any discount used by an insurer is presumed to be appropriate unless credible data demonstrates otherwise.

Section 36. Subsections (1), (3), and (6) of section 627.0653, Florida Statutes, are amended to read:

627.0653 Insurance discounts for specified motor vehicle equipment.—

(1) Any rates, rating schedules, or rating manuals for the liability, medical payments ~~personal injury protection~~, and collision coverages of a motor vehicle insurance policy filed with the office must ~~shall~~ provide a premium discount if the insured vehicle is equipped with factory-installed, four-wheel antilock brakes.

(3) Any rates, rating schedules, or rating manuals for ~~personal injury protection coverage and~~ medical payments



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coverage, ~~if offered,~~ of a motor vehicle insurance policy filed with the office must ~~shall~~ provide a premium discount if the insured vehicle is equipped with one or more air bags that ~~which~~ are factory installed.

(6) The Office of Insurance Regulation may approve a premium discount to any rates, rating schedules, or rating manuals for the liability, medical payments ~~personal injury protection,~~ and collision coverages of a motor vehicle insurance policy filed with the office if the insured vehicle is equipped with autonomous driving technology or electronic vehicle collision avoidance technology that is factory installed or a retrofitted system and that complies with National Highway Traffic Safety Administration standards.

Section 37. Section 627.4132, Florida Statutes, is amended to read:

627.4132 Stacking of coverages prohibited.—If an insured or named insured is protected by any type of motor vehicle insurance policy for bodily injury and property damage liability, ~~personal injury protection, or other coverage,~~ the policy must ~~shall~~ provide that the insured or named insured is protected only to the extent of the coverage she or he has on the vehicle involved in the accident. However, if none of the insured's or named insured's vehicles are ~~is~~ involved in the accident, coverage is available only to the extent of coverage on any one of the vehicles with applicable coverage. Coverage on any other vehicles may ~~shall~~ not be added to or stacked upon that coverage. This section does not apply:

(1) To uninsured motorist coverage that ~~which~~ is separately governed by s. 627.727.



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(2) To reduce the coverage available by reason of insurance policies insuring different named insureds.

Section 38. Section 627.7263, Florida Statutes, is amended to read:

627.7263 Rental and leasing driver's insurance to be primary; exception.—

(1) The valid and collectible liability insurance and medical payments coverage ~~or personal injury protection insurance providing coverage~~ for the lessor of a motor vehicle for rent or lease is primary unless otherwise stated in at least 10-point type on the face of the rental or lease agreement. Such insurance is primary for the limits of liability ~~and personal injury protection~~ coverage as required by s. 324.021(7) and medical payments coverage as required under s. 627.7265 ~~ss. 324.021(7) and 627.736~~.

(2) If the lessee's coverage is to be primary, the rental or lease agreement must contain the following language, in at least 10-point type:

"The valid and collectible liability insurance and medical payments coverage ~~personal injury protection insurance~~ of an ~~any~~ authorized rental or leasing driver is primary for the limits of liability ~~and personal injury protection~~ coverage and medical payments coverage required under ss. 324.021(7) and 627.7265 ~~by ss. 324.021(7) and 627.736~~, Florida Statutes."

Section 39. Section 627.7265, Florida Statutes, is created to read:



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627.7265 Motor vehicle insurance; medical payments coverage.—

(1) MEDICAL PAYMENTS COVERAGE REQUIRED.—A motor vehicle liability insurance policy that is furnished as proof of financial responsibility pursuant to s. 324.031 must include medical payments coverage as provided in this section. The medical payments coverage must protect the named insured, resident relatives, persons operating the insured motor vehicle, passengers in the insured motor vehicle, and persons who are struck by the insured motor vehicle and suffer bodily injury while not an occupant of a self-propelled motor vehicle, to a limit of at least \$5,000 per person for medical expense incurred due to bodily injury, sickness, or disease arising out of the ownership, maintenance, or use of a motor vehicle. The medical payments coverage must also provide each such person with a death benefit of at least \$5,000. This section may not be construed to limit any other coverage made available by an insurer. An insurer may not offer medical payments coverage with a deductible to an applicant or policyholder.

(2) REQUIRED BENEFITS.—Medical payments coverage must provide coverage for all of the following if medically necessary and the individual initially receives such treatment within 14 days after the motor vehicle accident:

(a) Emergency transport and treatment by a provider licensed under chapter 401.

(b) Emergency services and care provided by a hospital licensed under chapter 395.

(c) Emergency services and care as defined in s. 395.002, provided in a facility licensed under chapter 395 and rendered



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by a physician or dentist, and related hospital inpatient services rendered by a physician or dentist.

(d) Hospital inpatient services, other than emergency services and care.

(e) Hospital outpatient services, other than emergency services and care.

(3) AUTHORIZED EXCLUSIONS.—Notwithstanding any other requirement in this section, an insurer may exclude medical payment benefits:

(a) For injury sustained by the named insured or a resident relative while occupying another motor vehicle owned by the named insured and not insured under the policy, unless such vehicle qualifies as a newly acquired vehicle or temporary substitute vehicle.

(b) For injury sustained by any person operating the insured motor vehicle without the express or implied consent of the insured.

(c) For any person who intentionally causes injury to himself or herself.

(d) For any person injured while committing a felony.

(4) PAYMENT OF BENEFITS.—

(a) Benefits due from an insurer under medical payments coverage are primary to any health insurance benefit of a person injured in a motor vehicle accident and apply to any coinsurance or deductible amount required by the injured person's health insurance policy, except that:

1. Benefits received under any workers' compensation law must be credited against medical payments coverage benefits, and are due and payable as losses accrue, upon reasonable proof of



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such losses and the amount of expenses and losses incurred which are covered by the policy issued under this section.

2. When the Agency for Health Care Administration provides, pays for, or becomes liable for medical assistance under the Medicaid program which is related to injury, sickness, disease, or death arising out of the ownership, maintenance, or use of a motor vehicle, medical payments benefits are subject to the provisions of the Medicaid program, and, within 30 days after receiving notice that the Medicaid program paid such benefits, the insurer must repay the full amount of the benefits to the Medicaid program.

(b) A medical payments insurance policy may include a provision allowing subrogation for medical payments benefits paid, if the expenses giving rise to the payments were caused by wrongful act or omission of another.

(c) Upon receiving notice of an accident that is potentially covered by medical payments coverage benefits, the insurer must reserve \$2,500 of medical payments coverage benefits for payment to physicians licensed under chapter 458 or chapter 459 or dentists licensed under chapter 466 who provide emergency services and care, as defined in s. 395.002, or who provide hospital inpatient care. The amount required to be held in reserve may be used only to pay claims from such physicians or dentists until 30 days after the date the insurer receives notice of the accident. After the 30-day period, any amount of the reserve for which the insurer has not received notice of such claims may be used by the insurer to pay other claims. This paragraph does not require an insurer to establish a claim reserve for insurance accounting purposes.



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(5) CHARGES FOR CARE OF INJURED PERSONS.—

(a) A physician, hospital, clinic, or other person or institution lawfully providing medical care to an injured person for a bodily injury covered by medical payments coverage may charge the insurer and injured party only a reasonable amount pursuant to this section. However, such charges may not exceed the amount the person or institution customarily charges for like medical care. In determining whether a charge for a particular service, treatment, supply, or prescription is reasonable, consideration may be given to evidence of usual and customary charges and payments accepted by the provider involved in the dispute; reimbursement levels in the community and various federal and state medical fee schedules applicable to motor vehicle and other insurance coverages; and other information relevant to the reasonableness of the reimbursement for the service, treatment, supply, or prescription.

1. The insurer may limit reimbursement to the following schedule of maximum charges:

a. For emergency transport and treatment by providers licensed under chapter 401, 200 percent of Medicare.

b. For emergency services and care provided by a hospital licensed under chapter 395, 75 percent of the hospital's usual and customary charges.

c. For emergency services and care, as defined in s. 395.002, provided in a facility licensed under chapter 395 and rendered by a physician or dentist, and related hospital inpatient services rendered by a physician or dentist, the usual and customary charges in the community.

d. For hospital inpatient services other than emergency



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services and care, 200 percent of the Medicare Part A prospective payment applicable to the specific hospital providing the inpatient services.

e. For hospital outpatient services other than emergency services and care, 200 percent of the Medicare Part A Ambulatory Payment Classification for the specific hospital providing the outpatient services.

However, if such services, supplies, or care is not reimbursable under Medicare Part B as provided in this sub-subparagraph, the insurer may limit reimbursement to 80 percent of the maximum reimbursable allowance under workers' compensation. Services, supplies, or care that is not reimbursable under Medicare or workers' compensation is not required to be reimbursed by the insurer.

2. For purposes of subparagraph 1., the applicable fee schedule or payment limitation under Medicare is the fee schedule or payment limitation in effect on March 1 of the service year in which the services, supplies, or care is rendered and for the area in which the services, supplies, or care is rendered. The applicable fee schedule or payment limitation applies to services, supplies, or care rendered during that service year notwithstanding any subsequent change made to the fee schedule or payment limitation; however, it may not be less than the allowable amount under the applicable schedule of Medicare Part B for 2007 for medical services, supplies, and care subject to Medicare Part B. For purposes of this subparagraph, the term "service year" means the period from March 1 through the end of February of the following year.



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3. For purposes of subparagraph 1., the applicable fee schedule or payment limitation under workers' compensation is determined under s. 440.13 and rules adopted thereunder which are in effect at the time such services, supplies, or care is provided.

4. Subparagraph 1. does not authorize the insurer to apply any limitation on the number of treatments or other utilization limits that apply under Medicare or workers' compensation. An insurer that applies the allowable payment limitations of subparagraph 1. must reimburse a provider who lawfully provided medical care under the scope of his or her license, regardless of whether the provider is entitled to reimbursement under Medicare or workers' compensation due to restrictions or limitations on the types or discipline of health care providers who may be reimbursed for particular procedures or procedure codes. However, subparagraph 1. does not prohibit an insurer from using the Medicare coding policies and payment methodologies of the federal Centers for Medicare and Medicaid Services, including applicable modifiers, to determine the appropriate amount of reimbursement for medical services, supplies, or care, if the coding policy or payment methodology does not constitute a utilization limit.

5. If an insurer limits payment as authorized by subparagraph 1., the person providing such medical care may not bill or attempt to collect from the insured any amount in excess of such limits, except for amounts that are not covered by the insured's medical payments benefits due to the maximum policy limits.

6. An insurer may limit payment as authorized by this



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paragraph only if the insurance policy includes a notice at the
time of issuance or renewal that the insurer may limit payment
pursuant to the schedule of charges specified in this paragraph.
A policy form approved by the office satisfies this requirement.
If a provider submits a charge for an amount less than the
amount allowed under subparagraph 1., the insurer may pay the
amount of the charge submitted.

(b)1. An insurer or insured is not required to pay a claim
or charges:

a. For any service or treatment that was not lawful at the
time rendered;

b. To any person who knowingly submits a false or
misleading statement relating to the claim or charges; or

c. For any treatment or service that is upcoded or that is
unbundled when the treatment or services should be bundled. To
facilitate prompt payment of lawful services, an insurer may
change codes that it determines have been improperly or
incorrectly upcoded or unbundled and may make payment based on
the changed codes, without affecting the right of the provider
to dispute the change by the insurer, if, before doing so, the
insurer contacts the health care provider and discusses the
reasons for the insurer's change and the health care provider's
reason for the coding, or makes a reasonable good faith effort
to do so, as documented in the insurer's file.

2. The Department of Health, in consultation with the
appropriate professional licensing boards, shall adopt by rule a
list of diagnostic tests deemed not to be medically necessary
for use in the treatment of persons sustaining bodily injury
covered by medical payments benefits under this section. The



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list must be revised from time to time as determined by the
Department of Health in consultation with the respective
professional licensing boards. Inclusion of a test on the list
must be based on a lack of demonstrated medical value and a
level of general acceptance by the relevant provider community
and may not be dependent on results based entirely upon
subjective patient response. Notwithstanding its inclusion on a
fee schedule in this subsection, an insurer or insured is not
required to pay any charges or reimburse claims for an invalid
diagnostic test as determined by the Department of Health.

(c) With respect to any medical care other than medical
services billed by a hospital or other provider for emergency
services and care, as defined in s. 395.002, or inpatient
services rendered at a hospital-owned facility, the statement of
charges must be furnished to the insurer by the provider.

(d) All statements and bills for medical services rendered
by a physician, hospital, clinic, or other person or institution
must be submitted to the insurer on a properly completed Centers
for Medicare and Medicaid Services Form CMS-1500, a UB-92 form,
or any other standard form approved by the office and adopted by
the commission for purposes of this paragraph. All billings for
such services rendered by providers must, to the extent
applicable, comply with the Form CMS-1500 instructions, the
codes established by the American Medical Association's Current
Procedural Terminology Editorial Panel, and the Healthcare
Common Procedure Coding System (HCPCS) and must follow the
Physicians' Current Procedural Terminology (CPT), the HCPCS in
effect for the year in which services are rendered, and the
International Classification of Diseases adopted by the United



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States Department of Health and Human Services in effect for the year in which services are rendered. The guidance for determining compliance with applicable CPT and HCPCS coding must be provided by the CPT or the HCPCS in effect for the year in which services were rendered, the Office of the Inspector General, Physicians Compliance Guidelines, and other authoritative treatises designated by rule by the Agency for Health Care Administration. A statement of medical services may not include charges for medical services of a person or entity that performed such services without possessing the valid licenses required to perform such services.

(6) CIVIL ACTION FOR INSURANCE FRAUD.—An insurer has a cause of action against any person convicted of, or who, regardless of adjudication of guilt, pleads guilty or nolo contendere to, insurance fraud under s. 817.234, patient brokering under s. 817.505, or kickbacks under s. 456.054, associated with a claim for medical payments coverage benefits in accordance with this section. An insurer prevailing in an action brought under this subsection may recover compensatory, consequential, and punitive damages subject to the requirements and limitations of part II of chapter 768 and attorney fees and costs incurred in litigating a cause of action against any person convicted of, or who, regardless of adjudication of guilt, pleads guilty or nolo contendere to, insurance fraud under s. 817.234, patient brokering under s. 817.505, or kickbacks under s. 456.054, associated with a claim for medical payments coverage benefits in accordance with this section.

(7) FRAUD ADVISORY NOTICE.—Upon receiving notice of a claim under this section, an insurer shall provide a notice to the



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insured or to a person for whom a claim for reimbursement for
diagnosis or treatment of injuries has been filed, advising
that:

(a) Pursuant to s. 626.9892, the department may pay rewards
of up to \$25,000 to persons who provide information leading to
the arrest and conviction of persons committing crimes
investigated by the Division of Investigative and Forensic
Services arising from violations of s. 440.105, s. 624.15, s.
626.9541, s. 626.989, or s. 817.234.

(b) Solicitation of a person injured in a motor vehicle
crash for purposes of filing medical payments coverage or tort
claims could be a violation of s. 817.234, s. 817.505, or the
rules regulating The Florida Bar and should be immediately
reported to the Division of Investigative and Forensic Services
if such conduct has taken place.

(8) NONREIMBURSABLE CLAIMS.—Claims generated as a result of
activities that are unlawful pursuant to s. 817.505 are not
reimbursable.

(9) SECURE ELECTRONIC DATA TRANSFER.—A notice,
documentation, transmission, or communication of any kind
required or authorized under this section may be transmitted
electronically if it is transmitted by secure electronic data
transfer that is consistent with state and federal privacy and
security laws.

Section 40. Subsections (1) and (7) of section 627.727,
Florida Statutes, are amended, and present subsections (8), (9),
and (10) of that section are redesignated as subsections (7),
(8), and (9), respectively, to read:

627.727 Motor vehicle insurance; uninsured and underinsured



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vehicle coverage; insolvent insurer protection.-

(1) A ~~No~~ motor vehicle liability insurance policy that
~~which~~ provides bodily injury liability coverage may not ~~shall~~ be
delivered or issued for delivery in this state with respect to
any specifically insured or identified motor vehicle registered
or principally garaged in this state, unless uninsured motor
vehicle coverage is provided therein or supplemental thereto for
the protection of persons insured thereunder who are legally
entitled to recover damages from owners or operators of
uninsured motor vehicles because of bodily injury, sickness, or
disease, including death, resulting therefrom. However, the
coverage required under this section is not applicable if ~~when~~,
or to the extent that, an insured named in the policy makes a
written rejection of the coverage on behalf of all insureds
under the policy. If ~~When~~ a motor vehicle is leased for ~~a period~~
~~of~~ 1 year or longer and the lessor of such vehicle, by the terms
of the lease contract, provides liability coverage on the leased
vehicle, the lessee of such vehicle has ~~shall have~~ the sole
privilege to reject uninsured motorist coverage or to select
lower limits than the bodily injury liability limits, regardless
of whether the lessor is qualified as a self-insurer pursuant to
s. 324.171. Unless an insured, or lessee having the privilege of
rejecting uninsured motorist coverage, requests such coverage or
requests higher uninsured motorist limits in writing, the
coverage or such higher uninsured motorist limits need not be
provided in or supplemental to any other policy which renews,
extends, changes, supersedes, or replaces an existing policy
with the same bodily injury liability limits when an insured or
lessee had rejected the coverage. When an insured or lessee has



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1954 initially selected limits of uninsured motorist coverage lower
1955 than her or his bodily injury liability limits, higher limits of
1956 uninsured motorist coverage need not be provided in or
1957 supplemental to any other policy that ~~which~~ renews, extends,
1958 changes, supersedes, or replaces an existing policy with the
1959 same bodily injury liability limits unless an insured requests
1960 higher uninsured motorist coverage in writing. The rejection or
1961 selection of lower limits must ~~shall~~ be made on a form approved
1962 by the office. The form must ~~shall~~ fully advise the applicant of
1963 the nature of the coverage and must ~~shall~~ state that the
1964 coverage is equal to bodily injury liability limits unless lower
1965 limits are requested or the coverage is rejected. The heading of
1966 the form must ~~shall~~ be in 12-point bold type and must ~~shall~~
1967 state: "You are electing not to purchase certain valuable
1968 coverage that ~~which~~ protects you and your family or you are
1969 purchasing uninsured motorist limits less than your bodily
1970 injury liability limits when you sign this form. Please read
1971 carefully." If this form is signed by a named insured, it will
1972 be conclusively presumed that there was an informed, knowing
1973 rejection of coverage or election of lower limits on behalf of
1974 all insureds. The insurer shall notify the named insured at
1975 least annually of her or his options as to the coverage required
1976 by this section. Such notice must ~~shall~~ be part of, and attached
1977 to, the notice of premium, must ~~shall~~ provide for a means to
1978 allow the insured to request such coverage, and must ~~shall~~ be
1979 given in a manner approved by the office. Receipt of this notice
1980 does not constitute an affirmative waiver of the insured's right
1981 to uninsured motorist coverage if ~~where~~ the insured has not
1982 signed a selection or rejection form. The coverage described



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under this section must ~~shall~~ be over and above, but may ~~shall~~ not duplicate, the benefits available to an insured under any workers' compensation law, ~~personal injury protection benefits,~~ disability benefits law, or similar law; under any automobile medical payments ~~expense~~ coverage; under any motor vehicle liability insurance coverage; or from the owner or operator of the uninsured motor vehicle or any other person or organization jointly or severally liable together with such owner or operator for the accident; and such coverage must ~~shall~~ cover the difference, if any, between the sum of such benefits and the damages sustained, up to the maximum amount of such coverage provided under this section. The amount of coverage available under this section may ~~shall~~ not be reduced by a setoff against any coverage, including liability insurance. Such coverage does ~~shall~~ not inure directly or indirectly to the benefit of any workers' compensation or disability benefits carrier or any person or organization qualifying as a self-insurer under any workers' compensation or disability benefits law or similar law.

~~(7) The legal liability of an uninsured motorist coverage insurer does not include damages in tort for pain, suffering, mental anguish, and inconvenience unless the injury or disease is described in one or more of paragraphs (a) - (d) of s. 627.737(2).~~

Section 41. Subsection (1) and paragraphs (a) and (b) of subsection (2) of section 627.7275, Florida Statutes, are amended to read:

627.7275 Motor vehicle liability.—

(1) A motor vehicle insurance policy ~~providing personal injury protection as set forth in s. 627.736 may not be~~



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delivered or issued for delivery in this state for a with
~~respect to any~~ specifically insured or identified motor vehicle
registered or principally garaged in this state must provide
bodily injury liability coverage and unless the policy also
~~provides coverage for~~ property damage liability coverage as
required under ~~by~~ s. 324.022, and medical payments coverage as
required under s. 627.7265.

(2) (a) Insurers writing motor vehicle insurance in this
state shall make available, subject to the insurers' usual
underwriting restrictions:

1. Coverage under policies as described in subsection (1)
to an applicant for private passenger motor vehicle insurance
coverage who is seeking the coverage in order to reinstate the
applicant's driving privileges in this state if the driving
privileges were revoked or suspended pursuant to s. 316.646 or
s. 324.0221 due to the failure of the applicant to maintain
required security.

2. Coverage under policies as described in subsection (1),
which includes bodily injury ~~also provides~~ liability coverage
and property damage liability coverage ~~for bodily injury, death,~~
~~and property damage arising out of the ownership, maintenance,~~
~~or use of the motor vehicle~~ in an amount not less than the
minimum limits required under ~~described in~~ s. 324.021(7) or s.
324.023 and which conforms to the requirements of s. 324.151, to
an applicant for private passenger motor vehicle insurance
coverage who is seeking the coverage in order to reinstate the
applicant's driving privileges in this state after such
privileges were revoked or suspended under s. 316.193 or s.
322.26(2) for driving under the influence.



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(b) The policies described in paragraph (a) must ~~shall~~ be issued for at least 6 months and, as to the minimum coverages required under this section, may not be canceled by the insured for any reason or by the insurer after 60 days, during which period the insurer is completing the underwriting of the policy. After the insurer has completed underwriting the policy, the insurer shall notify the Department of Highway Safety and Motor Vehicles that the policy is in full force and effect and is not cancelable for the remainder of the policy period. A premium must ~~shall~~ be collected and the coverage is in effect for the 60-day period during which the insurer is completing the underwriting of the policy, whether or not the person's driver license, motor vehicle tag, and motor vehicle registration are in effect. Once the noncancelable provisions of the policy become effective, the bodily injury liability and property damage liability coverages ~~for bodily injury, property damage, and personal injury protection~~ may not be reduced below the minimum limits required under s. 324.021 or s. 324.023 during the policy period, and the medical payments coverage may not be reduced below the minimum limit required under s. 627.7265.

Section 42. Paragraph (a) of subsection (1) of section 627.728, Florida Statutes, is amended to read:

627.728 Cancellations; nonrenewals.—

(1) As used in this section, the term:

(a) "Policy" means the bodily injury and property damage liability, ~~personal injury protection~~, medical payments, comprehensive, collision, and uninsured motorist coverage portions of a policy of motor vehicle insurance delivered or issued for delivery in this state:



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1. Insuring a natural person as named insured or one or more related individuals who are residents ~~resident~~ of the same household; and

2. Insuring only a motor vehicle of the private passenger type or station wagon type which is not used as a public or livery conveyance for passengers or rented to others; or insuring any other four-wheel motor vehicle having a load capacity of 1,500 pounds or less which is not used in the occupation, profession, or business of the insured other than farming; other than any policy issued under an automobile insurance assigned risk plan or covering garage, automobile sales agency, repair shop, service station, or public parking place operation hazards.

The term "policy" does not include a binder as defined in s. 627.420 unless the duration of the binder period exceeds 60 days.

Section 43. Subsection (1), paragraph (a) of subsection (5), and subsections (6) and (7) of section 627.7295, Florida Statutes, are amended to read:

627.7295 Motor vehicle insurance contracts.—

(1) As used in this section, the term:

(a) "Policy" means a motor vehicle insurance policy that provides bodily injury liability ~~personal injury protection~~ coverage, property damage liability coverage, and medical payments coverage ~~or both~~.

(b) "Binder" means a binder that provides motor vehicle bodily injury liability coverage, ~~personal injury protection and~~ property damage liability coverage, and medical payments



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coverage.

(5) (a) A licensed general lines agent may charge a per-policy fee up to ~~not to exceed~~ \$10 to cover the administrative costs of the agent associated with selling the motor vehicle insurance policy if the policy covers only bodily injury liability coverage, ~~personal injury protection coverage as provided by s. 627.736~~ and property damage liability coverage, and medical payments coverage as provided by s. 627.7275 and if no other insurance is sold or issued in conjunction with or collateral to the policy. The fee is not ~~considered~~ part of the premium.

(6) If a motor vehicle owner's driver license, license plate, and registration have previously been suspended pursuant to s. 316.646 ~~or s. 627.733~~, an insurer may cancel a new policy only as provided in s. 627.7275.

(7) A policy of private passenger motor vehicle insurance or a binder for such a policy may be initially issued in this state only if, before the effective date of such binder or policy, the insurer or agent has collected ~~from the insured an amount equal to~~ 2 months' premium from the insured. An insurer, agent, or premium finance company may not, directly or indirectly, take any action that results ~~resulting~~ in the insured paying ~~having paid~~ from the insured's own funds an amount less than the 2 months' premium required by this subsection. This subsection applies without regard to whether the premium is financed by a premium finance company or is paid pursuant to a periodic payment plan of an insurer or an insurance agent.

(a) This subsection does not apply:



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2128 1. If an insured or member of the insured's family is
2129 renewing or replacing a policy or a binder for such policy
2130 written by the same insurer or a member of the same insurer
2131 group. ~~This subsection does not apply~~

2132 2. To an insurer that issues private passenger motor
2133 vehicle coverage primarily to active duty or former military
2134 personnel or their dependents. ~~This subsection does not apply~~

2135 3. If all policy payments are paid pursuant to a payroll
2136 deduction plan, an automatic electronic funds transfer payment
2137 plan from the policyholder, or a recurring credit card or debit
2138 card agreement with the insurer.

2139 (b) This subsection and subsection (4) do not apply if:

2140 1. All policy payments to an insurer are paid pursuant to
2141 an automatic electronic funds transfer payment plan from an
2142 agent, a managing general agent, or a premium finance company
2143 and if the policy includes, at a minimum, bodily injury
2144 liability coverage, ~~personal injury protection pursuant to ss.~~
2145 ~~627.730-627.7405; motor vehicle property damage liability~~
2146 coverage, and medical payments coverage pursuant to s. 627.7275;
2147 ~~or and bodily injury liability in at least the amount of \$10,000~~
2148 ~~because of bodily injury to, or death of, one person in any one~~
2149 ~~accident and in the amount of \$20,000 because of bodily injury~~
2150 ~~to, or death of, two or more persons in any one accident. This~~
2151 ~~subsection and subsection (4) do not apply if~~

2152 2. An insured has had a policy in effect for at least 6
2153 months, the insured's agent is terminated by the insurer that
2154 issued the policy, and the insured obtains coverage on the
2155 policy's renewal date with a new company through the terminated
2156 agent.



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Section 44. Subsections (1) and (2) of section 627.7415, Florida Statutes, are amended to read:

627.7415 Commercial motor vehicles; additional liability insurance coverage.—Commercial motor vehicles, as defined in s. 207.002 or s. 320.01, operated upon the roads and highways of this state shall be insured with the ~~following~~ minimum levels of combined bodily liability insurance and property damage liability insurance under subsections (1) and (2) in addition to any other insurance requirements.÷

(1) ~~Fifty thousand dollars per occurrence~~ For a commercial motor vehicle with a gross vehicle weight of 26,000 pounds or more, but less than 35,000 pounds:

(a) Beginning January 1, 2019, through December 31, 2020, no less than \$50,000 per occurrence.

(b) Beginning January 1, 2021, through December 31, 2022, no less than \$60,000 per occurrence.

(c) Beginning January 1, 2023, and thereafter, no less than \$70,000 per occurrence.

(2) ~~One hundred thousand dollars per occurrence~~ For a commercial motor vehicle with a gross vehicle weight of 35,000 pounds or more, but less than 44,000 pounds:

(a) Beginning January 1, 2019, through December 31, 2020, no less than \$100,000 per occurrence.

(b) Beginning January 1, 2021, through December 31, 2022, no less than \$120,000 per occurrence.

(c) Beginning January 1, 2023, and thereafter, no less than \$140,000 per occurrence.

A violation of this section is a noncriminal traffic infraction,



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punishable as a nonmoving violation as provided in chapter 318.

Section 45. Section 627.8405, Florida Statutes, is amended to read:

627.8405 Prohibited acts; financing companies.—~~A~~ ~~No~~ premium finance company ~~shall~~, in a premium finance agreement or other agreement, may not finance the cost of or otherwise provide for the collection or remittance of dues, assessments, fees, or other periodic payments of money for the cost of:

(1) A membership in an automobile club. The term "automobile club" means a legal entity that ~~which~~, in consideration of dues, assessments, or periodic payments of money, promises its members or subscribers to assist them in matters relating to the ownership, operation, use, or maintenance of a motor vehicle; however, the term ~~this definition of "automobile club"~~ does not include persons, associations, or corporations ~~which are~~ organized and operated solely for the purpose of conducting, sponsoring, or sanctioning motor vehicle races, exhibitions, or contests upon racetracks, or upon racecourses established and marked as such for the duration of such particular events. The term ~~words~~ "motor vehicle" used herein has ~~have~~ the same meaning as defined in chapter 320.

(2) An accidental death and dismemberment policy sold in combination with a policy providing only medical payments coverage, bodily injury liability coverage, personal injury protection and property damage liability coverage only policy.

(3) Any product not regulated under ~~the provisions of this~~ insurance code.



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This section also applies to premium financing by any insurance agent or insurance company under part XVI. The commission shall adopt rules to assure disclosure, at the time of sale, of coverages financed ~~with personal injury protection~~ and shall prescribe the form of such disclosure.

Section 46. Subsection (1) of section 627.915, Florida Statutes, is amended to read:

627.915 Insurer experience reporting.—

(1) Each insurer transacting private passenger automobile insurance in this state shall report certain information annually to the office. The information will be due on or before July 1 of each year. The information must ~~shall~~ be divided into the following categories: bodily injury liability; property damage liability; uninsured motorist; ~~personal injury protection benefits~~; medical payments; and comprehensive and collision. The information given must ~~shall~~ be on direct insurance writings in the state alone and ~~shall~~ represent total limits data. The information set forth in paragraphs (a)-(f) is applicable to voluntary private passenger and Joint Underwriting Association private passenger writings and must ~~shall~~ be reported for each of the latest 3 calendar-accident years, with an evaluation date of March 31 of the current year. The information set forth in paragraphs (g)-(j) is applicable to voluntary private passenger writings and must ~~shall~~ be reported on a calendar-accident year basis ultimately seven times at seven different stages of development.

(a) Premiums earned for the latest 3 calendar-accident years.

(b) Loss development factors and the historic development



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2244 of those factors.

2245 (c) Policyholder dividends incurred.

2246 (d) Expenses for other acquisition and general expense.

2247 (e) Expenses for agents' commissions and taxes, licenses,

2248 and fees.

2249 (f) Profit and contingency factors as utilized in the

2250 insurer's automobile rate filings for the applicable years.

2251 (g) Losses paid.

2252 (h) Losses unpaid.

2253 (i) Loss adjustment expenses paid.

2254 (j) Loss adjustment expenses unpaid.

2255 Section 47. Subsections (2) and (3) of section 628.909,

2256 Florida Statutes, are amended to read:

2257 628.909 Applicability of other laws.—

2258 (2) The following provisions of the Florida Insurance Code

2259 apply to captive insurance companies who are not industrial

2260 insured captive insurance companies to the extent that such

2261 provisions are not inconsistent with this part:

2262 (a) Chapter 624, except for ss. 624.407, 624.408, 624.4085,

2263 624.40851, 624.4095, 624.411, 624.425, and 624.426.

2264 (b) Chapter 625, part II.

2265 (c) Chapter 626, part IX.

2266 (d) ~~Sections 627.730-627.7405, when no-fault coverage is~~

2267 ~~provided.~~

2268 ~~(e) Chapter 628.~~

2269 (3) The following provisions of the Florida Insurance Code

2270 ~~shall~~ apply to industrial insured captive insurance companies to

2271 the extent that such provisions are not inconsistent with this

2272 part:



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(a) Chapter 624, except for ss. 624.407, 624.408, 624.4085, 624.40851, 624.4095, 624.411, 624.425, 624.426, and 624.609(1).

(b) Chapter 625, part II, if the industrial insured captive insurance company is incorporated in this state.

(c) Chapter 626, part IX.

(d) ~~Sections 627.730-627.7405 when no-fault coverage is provided.~~

~~(e)~~ Chapter 628, except for ss. 628.341, 628.351, and 628.6018.

Section 48. Subsections (2), (6), and (7) of section 705.184, Florida Statutes, are amended to read:

705.184 Derelict or abandoned motor vehicles on the premises of public-use airports.—

(2) The airport director or the director's designee shall contact the Department of Highway Safety and Motor Vehicles to notify that department that the airport has possession of the abandoned or derelict motor vehicle and to determine the name and address of the owner of the motor vehicle, the insurance company insuring the motor vehicle, ~~notwithstanding the provisions of s. 627.736,~~ and any person who has filed a lien on the motor vehicle. Within 7 business days after receipt of the information, the director or the director's designee shall send notice by certified mail, return receipt requested, to the owner of the motor vehicle, the insurance company insuring the motor vehicle, ~~notwithstanding the provisions of s. 627.736,~~ and all persons of record claiming a lien against the motor vehicle. The notice must ~~shall~~ state the fact of possession of the motor vehicle, that charges for reasonable towing, storage, and parking fees, if any, have accrued and the amount thereof, that



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a lien as provided in subsection (6) will be claimed, that the lien is subject to enforcement pursuant to law, that the owner or lienholder, if any, has the right to a hearing as set forth in subsection (4), and that any motor vehicle which, at the end of 30 calendar days after receipt of the notice, has not been removed from the airport upon payment in full of all accrued charges for reasonable towing, storage, and parking fees, if any, may be disposed of as provided in s. 705.182(2)(a), (b), (d), or (e), including, but not limited to, the motor vehicle being sold free of all prior liens after 35 calendar days after the time the motor vehicle is stored if any prior liens on the motor vehicle are more than 5 years of age or after 50 calendar days after the time the motor vehicle is stored if any prior liens on the motor vehicle are 5 years of age or less.

(6) The airport pursuant to this section or, if used, a licensed independent wrecker company pursuant to s. 713.78 shall have a lien on an abandoned or derelict motor vehicle for all reasonable towing, storage, and accrued parking fees, if any, except that no storage fee may ~~shall~~ be charged if the motor vehicle is stored less than 6 hours. As a prerequisite to perfecting a lien under this section, the airport director or the director's designee must serve a notice in accordance with subsection (2) on the owner of the motor vehicle, the insurance company insuring the motor vehicle, ~~notwithstanding the provisions of s. 627.736,~~ and all persons of record claiming a lien against the motor vehicle. If attempts to notify the owner, the insurance company insuring the motor vehicle, ~~notwithstanding the provisions of s. 627.736,~~ or lienholders are not successful, the requirement of notice by mail shall be



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considered met. Serving of the notice does not dispense with recording the claim of lien.

(7) (a) For the purpose of perfecting its lien under this section, the airport shall record a claim of lien which states ~~shall state~~:

1. The name and address of the airport.

2. The name of the owner of the motor vehicle, the insurance company insuring the motor vehicle, ~~notwithstanding the provisions of s. 627.736,~~ and all persons of record claiming a lien against the motor vehicle.

3. The costs incurred from reasonable towing, storage, and parking fees, if any.

4. A description of the motor vehicle sufficient for identification.

(b) The claim of lien must ~~shall~~ be signed and sworn to or affirmed by the airport director or the director's designee.

(c) The claim of lien is ~~shall be~~ sufficient if it is in substantially the following form:

CLAIM OF LIEN

State of

County of

Before me, the undersigned notary public, personally appeared, who was duly sworn and says that he/she is the of, whose address is.....; and that the following described motor vehicle:

...(Description of motor vehicle)...

owned by, whose address is, has accrued \$..... in fees for a reasonable tow, for storage, and for



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parking, if applicable; that the lienor served its notice to the owner, the insurance company insuring the motor vehicle ~~notwithstanding the provisions of s. 627.736, Florida Statutes,~~ and all persons of record claiming a lien against the motor vehicle on, ...(year)...., by.....

...(Signature)...

Sworn to (or affirmed) and subscribed before me this day of, ...(year)...., by ...(name of person making statement)....

...(Signature of Notary Public).....(Print, Type, or Stamp
Commissioned name of Notary Public)...

Personally Known....OR Produced....as identification.

However, the negligent inclusion or omission of any information in this claim of lien which does not prejudice the owner does not constitute a default that operates to defeat an otherwise valid lien.

(d) The claim of lien must ~~shall~~ be served on the owner of the motor vehicle, the insurance company insuring the motor vehicle, ~~notwithstanding the provisions of s. 627.736,~~ and all persons of record claiming a lien against the motor vehicle. If attempts to notify the owner, the insurance company insuring the motor vehicle ~~notwithstanding the provisions of s. 627.736,~~ or lienholders are not successful, the requirement of notice by mail shall be considered met. The claim of lien must ~~shall~~ be so served before recordation.

(e) The claim of lien must ~~shall~~ be recorded with the clerk of court in the county where the airport is located. The recording of the claim of lien shall be constructive notice to all persons of the contents and effect of such claim. The lien



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attaches ~~shall attach~~ at the time of recordation and takes ~~shall take~~ priority as of that time.

Section 49. Subsection (4) of section 713.78, Florida Statutes, is amended to read:

713.78 Liens for recovering, towing, or storing vehicles and vessels.—

(4) (a) Any person regularly engaged in the business of recovering, towing, or storing vehicles or vessels who comes into possession of a vehicle or vessel pursuant to subsection (2), and who claims a lien for recovery, towing, or storage services, shall give notice to the registered owner, the insurance company insuring the vehicle ~~notwithstanding the provisions of s. 627.736~~, and to all persons claiming a lien thereon, as disclosed by the records in the Department of Highway Safety and Motor Vehicles or as disclosed by the records of any corresponding agency in any other state in which the vehicle is identified through a records check of the National Motor Vehicle Title Information System or an equivalent commercially available system as being titled or registered.

(b) If a ~~Whenever any~~ law enforcement agency authorizes the removal of a vehicle or vessel or if a ~~whenever any~~ towing service, garage, repair shop, or automotive service, storage, or parking place notifies the law enforcement agency of possession of a vehicle or vessel pursuant to s. 715.07(2)(a)2., the law enforcement agency of the jurisdiction where the vehicle or vessel is stored shall contact the Department of Highway Safety and Motor Vehicles, or the appropriate agency of the state of registration, if known, within 24 hours through the medium of electronic communications, giving the full description of the



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vehicle or vessel. Upon receipt of the full description of the vehicle or vessel, the department shall search its files to determine the owner's name, the insurance company insuring the vehicle or vessel, and whether any person has filed a lien upon the vehicle or vessel as provided in s. 319.27(2) and (3) and notify the applicable law enforcement agency within 72 hours. The person in charge of the towing service, garage, repair shop, or automotive service, storage, or parking place shall obtain such information from the applicable law enforcement agency within 5 days after the date of storage and shall give notice pursuant to paragraph (a). The department may release the insurance company information to the requestor ~~notwithstanding the provisions of s. 627.736.~~

(c) Notice by certified mail must ~~shall~~ be sent within 7 business days after the date of storage of the vehicle or vessel to the registered owner, the insurance company insuring the vehicle ~~notwithstanding the provisions of s. 627.736~~, and all persons of record claiming a lien against the vehicle or vessel. The notice must ~~It shall~~ state the fact of possession of the vehicle or vessel, that a lien as provided in subsection (2) is claimed, that charges have accrued and the amount thereof, that the lien is subject to enforcement pursuant to law, ~~and~~ that the owner or lienholder, if any, has the right to a hearing as set forth in subsection (5), and that any vehicle or vessel which remains unclaimed, or for which the charges for recovery, towing, or storage services remain unpaid, may be sold free of all prior liens after 35 days if the vehicle or vessel is more than 3 years of age or after 50 days if the vehicle or vessel is 3 years of age or less.



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(d) If attempts to locate the name and address of the owner or lienholder prove unsuccessful, the towing-storage operator must ~~shall~~, after 7 working days, excluding Saturday and Sunday, of the initial tow or storage, notify the public agency of jurisdiction where the vehicle or vessel is stored in writing by certified mail or acknowledged hand delivery that the towing-storage company has been unable to locate the name and address of the owner or lienholder and a physical search of the vehicle or vessel has disclosed no ownership information and a good faith effort has been made, including records checks of the Department of Highway Safety and Motor Vehicles database and the National Motor Vehicle Title Information System or an equivalent commercially available system. As used in ~~For purposes of~~ this paragraph and subsection (9), the term "good faith effort" means that the following checks have been performed by the company to establish prior state of registration and for title:

1. Check of the Department of Highway Safety and Motor Vehicles database for the owner and any lienholder.

2. Check of the electronic National Motor Vehicle Title Information System or an equivalent commercially available system to determine the state of registration when there is not a current registration record for the vehicle on file with the Department of Highway Safety and Motor Vehicles.

3. Check of vehicle or vessel for any type of tag, tag record, temporary tag, or regular tag.

4. Check of law enforcement report for tag number or other information identifying the vehicle or vessel, if the vehicle or vessel was towed at the request of a law enforcement officer.

5. Check of trip sheet or tow ticket of tow truck operator



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to see if a tag was on vehicle or vessel at beginning of tow, if private tow.

6. If there is no address of the owner on the impound report, check of law enforcement report to see if an out-of-state address is indicated from driver license information.

7. Check of vehicle or vessel for inspection sticker or other stickers and decals that may indicate a state of possible registration.

8. Check of the interior of the vehicle or vessel for any papers that may be in the glove box, trunk, or other areas for a state of registration.

9. Check of vehicle for vehicle identification number.

10. Check of vessel for vessel registration number.

11. Check of vessel hull for a hull identification number which should be carved, burned, stamped, embossed, or otherwise permanently affixed to the outboard side of the transom or, if there is no transom, to the outmost seaboard side at the end of the hull that bears the rudder or other steering mechanism.

Section 50. Paragraph (a) of subsection (1), paragraph (c) of subsection (7), paragraphs (a), (b), and (c) of subsection (8), and subsections (9) and (10) of section 817.234, Florida Statutes, are amended to read:

817.234 False and fraudulent insurance claims.—

(1)(a) A person commits insurance fraud punishable as provided in subsection (11) if that person, with the intent to injure, defraud, or deceive any insurer:

1. Presents or causes to be presented any written or oral statement as part of, or in support of, a claim for payment or other benefit pursuant to an insurance policy or a health



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2505 maintenance organization subscriber or provider contract,
2506 knowing that such statement contains ~~any~~ false, incomplete, or
2507 misleading information concerning any fact or thing material to
2508 such claim;

2509 2. Prepares or makes any written or oral statement that is
2510 intended to be presented to an ~~any~~ insurer in connection with,
2511 or in support of, any claim for payment or other benefit
2512 pursuant to an insurance policy or a health maintenance
2513 organization subscriber or provider contract, knowing that such
2514 statement contains ~~any~~ false, incomplete, or misleading
2515 information concerning any fact or thing material to such claim;

2516 3.a. Knowingly presents, causes to be presented, or
2517 prepares or makes with knowledge or belief that it will be
2518 presented to an ~~any~~ insurer, purported insurer, servicing
2519 corporation, insurance broker, or insurance agent, or any
2520 employee or agent thereof, ~~any~~ false, incomplete, or misleading
2521 information or a written or oral statement as part of, or in
2522 support of, an application for the issuance of, or the rating
2523 of, any insurance policy, or a health maintenance organization
2524 subscriber or provider contract; or

2525 b. Knowingly conceals information concerning any fact
2526 material to such application; or

2527 4. Knowingly presents, causes to be presented, or prepares
2528 or makes with knowledge or belief that it will be presented to
2529 any insurer a claim for payment or other benefit under medical
2530 payments coverage in a motor vehicle ~~a personal injury~~
2531 ~~protection~~ insurance policy if the person knows that the payee
2532 knowingly submitted a false, misleading, or fraudulent
2533 application or other document when applying for licensure as a



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health care clinic, seeking an exemption from licensure as a health care clinic, or demonstrating compliance with part X of chapter 400.

(7)

~~(c) An insurer, or any person acting at the direction of or on behalf of an insurer, may not change an opinion in a mental or physical report prepared under s. 627.736(7) or direct the physician preparing the report to change such opinion; however, this provision does not preclude the insurer from calling to the attention of the physician errors of fact in the report based upon information in the claim file. Any person who violates this paragraph commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.~~

(8)(a) It is unlawful for any person intending to defraud any other person to solicit or cause to be solicited any business from a person involved in a motor vehicle accident for the purpose of making, adjusting, or settling motor vehicle tort claims or claims for benefits under medical payments coverage in a motor vehicle insurance policy ~~personal injury protection benefits required by s. 627.736~~. Any person who violates ~~the provisions of~~ this paragraph commits a felony of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084. A person who is convicted of a violation of this subsection shall be sentenced to a minimum term of imprisonment of 2 years.

(b) A person may not solicit or cause to be solicited any business from a person involved in a motor vehicle accident by any means of communication other than advertising directed to the public for the purpose of making motor vehicle tort claims



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or claims for benefits under medical payments coverage in a motor vehicle insurance policy ~~personal injury protection benefits required by s. 627.736,~~ within 60 days after the occurrence of the motor vehicle accident. Any person who violates this paragraph commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

(c) A lawyer, health care practitioner as defined in s. 456.001, or owner or medical director of a clinic required to be licensed pursuant to s. 400.9905 may not, at any time after 60 days have elapsed from the occurrence of a motor vehicle accident, solicit or cause to be solicited any business from a person involved in a motor vehicle accident by means of in person or telephone contact at the person's residence, for the purpose of making motor vehicle tort claims or claims for benefits under medical payments coverage in a motor vehicle insurance policy ~~personal injury protection benefits required by s. 627.736.~~ Any person who violates this paragraph commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

(9) A person may not organize, plan, or knowingly participate in an intentional motor vehicle crash or a scheme to create documentation of a motor vehicle crash that did not occur for the purpose of making motor vehicle tort claims or claims for benefits under medical payments coverage in a motor vehicle insurance policy ~~personal injury protection benefits as required by s. 627.736.~~ Any person who violates this subsection commits a felony of the second degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084. A person who is convicted of a violation of this subsection shall be sentenced to a minimum



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term of imprisonment of 2 years.

(10) A licensed health care practitioner who is found guilty of insurance fraud under this section for an act relating to a motor vehicle ~~personal injury protection~~ insurance policy loses his or her license to practice for 5 years and may not receive reimbursement under medical payments coverage in a motor vehicle insurance policy ~~for personal injury protection benefits~~ for 10 years.

Section 51. Applicability and construction; notice to policyholders.—

(1) As used in this section, the term "minimum security requirements" means security that enables a person to respond in damages for liability on account of crashes arising out of the ownership, maintenance, or use of a motor vehicle in the amounts required by s. 324.021(7), Florida Statutes.

(2) Effective January 1, 2019:

(a) Motor vehicle insurance policies issued or renewed on or after that date may not include personal injury protection.

(b) All persons subject to s. 324.022, s. 324.032, s. 627.7415, or s. 627.742, Florida Statutes, must maintain at least minimum security requirements.

(c) Any new or renewal motor vehicle insurance policy delivered or issued for delivery in this state must provide coverage that complies with minimum security requirements.

(d) Any new or renewal motor vehicle insurance policy furnished to an owner or operator of a motor vehicle as proof of financial responsibility pursuant to s. 324.022 or s. 324.031, Florida Statutes, must provide medical payments coverage that complies with s. 627.7265, Florida Statutes.



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(e) An existing motor vehicle insurance policy issued before that date which provides personal injury protection and property damage liability coverage that meets the requirements of s. 324.022, Florida Statutes, on December 31, 2018, but which does not meet minimum security requirements on or after January 1, 2019, is deemed to meet the security requirements of s. 324.022, Florida Statutes, and the medical payments coverage requirements of s. 627.7265, Florida Statutes, until such policy is renewed, nonrenewed, or canceled on or after January 1, 2019.

(3) Each insurer shall allow each insured who has a new or renewal policy providing personal injury protection, which becomes effective before January 1, 2019, and whose policy does not meet minimum security requirements on or after January 1, 2019, to change coverages so as to eliminate personal injury protection and obtain coverage providing minimum security requirements, which shall be effective on or after January 1, 2019. The insurer is not required to provide coverage complying with minimum security requirements in such policies if the insured does not pay the required premium, if any, by January 1, 2019, or such later date as the insurer may allow. Any reduction in the premium must be refunded by the insurer. The insurer may not impose on the insured an additional fee or charge that applies solely to a change in coverage; however, the insurer may charge an additional required premium that is actuarially indicated.

(4) By September 1, 2018, each motor vehicle insurer shall provide notice of this section to each motor vehicle policyholder who is subject to this section. The notice is subject to approval by the Office of Insurance Regulation and



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must clearly inform the policyholder that:

(a) The Florida Motor Vehicle No-Fault Law is repealed, effective January 1, 2019, and that on or after that date, the insured is no longer required to maintain personal injury protection insurance coverage, that personal injury protection coverage is no longer available for purchase in this state, and that all new or renewal policies issued on or after that date do not contain such coverage.

(b) Effective January 1, 2019, a person subject to the financial responsibility requirements of s. 324.022, Florida Statutes, must maintain minimum security requirements that enable the person to respond in damages for liability on account of accidents arising out of the use of a motor vehicle in the following amounts:

1. Beginning January 1, 2019, and continuing through December 31, 2020:

a. Twenty thousand dollars for bodily injury to, or the death of, one person in any one crash and, subject to such limits for one person, in the amount of \$40,000 for bodily injury to, or the death of, two or more persons in any one crash; and

b. Ten thousand dollars for damage to, or destruction of, the property of others in any one crash.

2. Beginning January 1, 2021, and continuing through December 31, 2022:

a. Twenty-five thousand dollars for bodily injury to, or the death of, one person in any one crash and, subject to such limits for one person, in the amount of \$50,000 for bodily injury to, or the death of, two or more persons in any one



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crash; and

b. Ten thousand dollars for damage to, or destruction of, the property of others in any one crash.

3. Beginning January 1, 2023, and continuing thereafter:

a. Thirty thousand dollars for bodily injury to, or the death of, one person in any one crash and, subject to such limits for one person, in the amount of \$60,000 for bodily injury to, or the death of, two or more persons in any one crash; and

b. Ten thousand dollars for damage to, or destruction of, the property of others in any one crash.

(c) Personal injury protection insurance paid covered medical expenses for injuries sustained in a motor vehicle crash by the policyholder, passengers, and relatives residing in the policyholder's household.

(d) Bodily injury liability coverage protects the insured, up to the coverage limits, against loss if the insured is legally responsible for the death of or bodily injury to others in a motor vehicle accident.

(e) Effective January 1, 2019, a person who purchases a motor vehicle liability insurance policy as proof of financial responsibility must maintain medical payments coverage that complies with s. 627.7265, Florida Statutes. Medical payments coverage pays covered medical expenses, up to the limits of such coverage, for injuries sustained in a motor vehicle crash by the policyholder, passengers, and relatives residing in the policyholder's household, as provided in s. 627.7265, Florida Statutes. Medical payments coverage also provides a death benefit of at least \$5,000. Medical payments coverage reimburses



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fewer medical services and care than were reimbursable under
personal injury protection. Medical payments coverage provides
reimbursement for the following if medically necessary and if an
individual initially receives such treatment within 14 days
after the motor vehicle accident:

1. Emergency transportation and treatment.

2. Emergency services and care provided by a hospital.

3. Emergency services and care provided by a licensed
physician or licensed dentist in a hospital, ambulatory surgical
center, or mobile surgical facility licensed under chapter 395,
Florida Statutes, and related hospital inpatient care.

4. Hospital inpatient services, other than emergency
services and care.

5. Hospital outpatient services, other than emergency
services and care.

(f) The policyholder may obtain underinsured motorist
coverage, which provides benefits, up to the limits of such
coverage, to a policyholder or other insured entitled to recover
damages for bodily injury, sickness, disease, or death resulting
from a motor vehicle accident with an uninsured or underinsured
owner or operator of a motor vehicle.

(g) If the policyholder's new or renewal motor vehicle
insurance policy is effective before January 1, 2019, and
contains personal injury protection and property damage
liability coverage as required by state law before January 1,
2019, but does not meet minimum security requirements on or
after January 1, 2019, the policy is deemed to meet minimum
security requirements until it is renewed, nonrenewed, or
canceled on or after January 1, 2019.



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(h) A policyholder whose new or renewal policy becomes effective before January 1, 2019, but does not meet minimum security requirements on or after January 1, 2019, may change coverages under the policy so as to eliminate personal injury protection and to obtain coverage providing minimum security requirements, including bodily injury liability coverage, which are effective on or after January 1, 2019.

(i) If the policyholder has any questions, he or she should contact the person named at the telephone number provided in the notice.

(5) This section takes effect upon this act becoming a law. Section 52. Application of suspensions for failure to maintain security; reinstatement.—All suspensions for failure to maintain required security as required by law in effect before January 1, 2019, remain in full force and effect after January 1, 2019. A driver may reinstate a suspended driver license or registration as provided under s. 324.0221, Florida Statutes.

Section 53. Except as otherwise expressly provided in this act and except for this section, which shall take effect upon this act becoming a law, this act shall take effect January 1, 2019.

===== T I T L E A M E N D M E N T =====
And the title is amended as follows:

Delete everything before the enacting clause
and insert:

A bill to be entitled
An act relating to motor vehicle insurance; repealing
ss. 627.730, 627.731, 627.7311, 627.732, 627.733,



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2766 627.734, 627.736, 627.737, 627.739, 627.7401,
2767 627.7403, and 627.7405, F.S., which comprise the
2768 Florida Motor Vehicle No-Fault Law; repealing s.
2769 627.7407, F.S., relating to application of the Florida
2770 Motor Vehicle No-Fault Law; amending s. 316.646, F.S.;
2771 revising a requirement for proof of security on a
2772 motor vehicle and the applicability of the
2773 requirement; amending s. 318.18, F.S.; conforming a
2774 provision to changes made by the act; amending s.
2775 320.02, F.S.; revising the motor vehicle insurance
2776 coverages that an applicant must show to register
2777 certain vehicles with the Department of Highway Safety
2778 and Motor Vehicles; deleting a requirement that
2779 specified information be included on a certain
2780 insurance proof-of-purchase card; revising
2781 construction; amending s. 320.0609, F.S.; conforming a
2782 provision to changes made by the act; amending s.
2783 320.27, F.S.; defining the term "garage liability
2784 insurance"; revising garage liability insurance
2785 requirements for motor vehicle dealer applicants;
2786 conforming a provision to changes made by the act;
2787 amending s. 320.771, F.S.; revising garage liability
2788 insurance requirements for recreational vehicle dealer
2789 license applicants; amending ss. 322.251 and 322.34,
2790 F.S.; conforming provisions to changes made by the
2791 act; amending s. 324.011, F.S.; revising legislative
2792 intent; amending s. 324.021, F.S.; revising
2793 definitions of the terms "motor vehicle" and "proof of
2794 financial responsibility"; revising, at specified



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2795 timeframes, minimum coverage requirements for proof of
2796 financial responsibility for specified motor vehicles;
2797 defining the term "for-hire passenger transportation
2798 vehicle"; conforming provisions to changes made by the
2799 act; amending s. 324.022, F.S.; revising, at specified
2800 timeframes, minimum liability coverage requirements
2801 for motor vehicle owners and operators; revising
2802 authorized methods for meeting such requirements;
2803 revising the vehicles that are excluded from the
2804 definition of the term "motor vehicle" and providing
2805 security requirements for certain excluded vehicles;
2806 conforming provisions to changes made by the act;
2807 conforming cross-references; amending s. 324.0221,
2808 F.S.; revising applicability of certain insurer
2809 reporting and notice requirements as to policies
2810 providing certain coverages; conforming provisions to
2811 changes made by the act; amending s. 324.023, F.S.;
2812 conforming cross-references; amending s. 324.031,
2813 F.S.; revising applicability of a provision
2814 authorizing certain methods of proving financial
2815 responsibility; revising, at specified timeframes, the
2816 amount of a certificate of deposit required for a
2817 specified method of proof of financial responsibility;
2818 revising excess liability coverage requirements for a
2819 person electing to use such method; amending s.
2820 324.032, F.S.; revising financial responsibility
2821 requirements for owners or lessees of for-hire
2822 passenger transportation vehicles and the
2823 applicability of such requirements; revising a



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2824 requirement for a motor vehicle liability policy
2825 obtained to comply with such requirements; amending
2826 ss. 324.051, 324.071, 324.091, and 324.151, F.S.;
2827 making technical changes; amending s. 324.161, F.S.;
2828 revising requirements for a certificate of deposit
2829 that is required if a person elects a certain method
2830 of providing financial responsibility; amending s.
2831 324.171, F.S.; revising, at specified timeframes, the
2832 minimum net worth requirements to qualify certain
2833 persons as self-insurers; conforming provisions to
2834 changes made by the act; amending s. 324.251, F.S.;
2835 revising the short title and an effective date;
2836 amending s. 400.9905, F.S.; revising the definition of
2837 the term "clinic"; amending ss. 400.991 and 400.9935,
2838 F.S.; conforming provisions to changes made by the
2839 act; amending s. 409.901, F.S.; revising the
2840 definition of the term "third-party benefit"; amending
2841 s. 409.910, F.S.; revising the definition of the term
2842 "medical coverage"; making technical changes; amending
2843 s. 456.057, F.S.; conforming a cross-reference;
2844 amending s. 456.072, F.S.; revising specified grounds
2845 for discipline for certain health professions;
2846 amending s. 626.9541, F.S.; conforming a provision to
2847 changes made by the act; revising the type of
2848 insurance coverage applicable to a certain prohibited
2849 act; conforming a cross-reference; amending s.
2850 626.989, F.S.; revising the definition of the term
2851 "fraudulent insurance act"; amending s. 627.06501,
2852 F.S.; revising coverages that may provide for a



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2853 reduction in motor vehicle insurance policy premium
2854 charges under certain circumstances; amending s.
2855 627.0652, F.S.; revising coverages that must provide a
2856 premium charge reduction under certain circumstances;
2857 amending s. 627.0653, F.S.; revising coverages subject
2858 to premium discounts for specified motor vehicle
2859 equipment; amending s. 627.4132, F.S.; revising the
2860 coverages of a motor vehicle policy which are subject
2861 to a stacking prohibition; amending s. 627.7263, F.S.;
2862 revising provisions relating to designation of primary
2863 coverages for rental and leasing driver's insurance;
2864 conforming provisions to changes made by the act;
2865 creating s. 627.7265, F.S.; requiring specified motor
2866 vehicle liability insurance policies to include
2867 medical payments coverage; specifying persons such
2868 coverage must protect; specifying the minimum medical
2869 expense coverage and minimum death benefit required
2870 under such coverage; providing construction relating
2871 to limits on certain other coverages; prohibiting
2872 insurers from offering such coverage to an applicant
2873 or policyholder with a deductible; specifying medical
2874 services and care required under such coverage;
2875 authorizing insurers to exclude medical payment
2876 benefits under certain circumstances; providing that
2877 medical payments benefits are primary to certain
2878 health insurance benefits and apply to the coinsurance
2879 or deductible amounts required by certain health
2880 insurance policies, except under certain
2881 circumstances; providing that a medical payments



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2882 insurance policy, under certain circumstances, may
2883 include a subrogation provision for medical payments
2884 benefits paid; requiring insurers, upon receiving a
2885 certain notice, to hold a specified reserve for
2886 certain purposes for a specified time; providing that
2887 the reserve requirement does not require insurers to
2888 establish a claim reserve for accounting purposes;
2889 specifying requirements, procedures, limitations, and
2890 prohibitions relating to charges and billing for care
2891 of bodily injuries under medical payments coverage;
2892 defining the term "service year"; requiring the
2893 Department of Health to adopt a certain rule;
2894 providing insurers a civil cause of action against
2895 certain persons who are convicted of or plead guilty
2896 or nolo contendere to certain acts of insurance fraud
2897 associated with claims for medical payments coverage
2898 benefits; requiring insurers receiving notice of a
2899 claim to provide a specified fraud advisory notice to
2900 certain persons; providing that claims generated as a
2901 result of certain patient brokering activities are
2902 nonreimbursable; authorizing notices, documentation,
2903 transmissions, or communications to be transferred
2904 electronically in a secure manner; amending s.
2905 627.727, F.S.; conforming provisions to changes made
2906 by the act; amending s. 627.7275, F.S.; revising
2907 applicability and required coverages for a motor
2908 vehicle insurance policy; conforming provisions to
2909 changes made by the act; amending s. 627.728, F.S.;
2910 conforming a provision to changes made by the act;



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2911 amending s. 627.7295, F.S.; revising the definitions
2912 of the terms "policy" and "binder"; revising the
2913 coverages of a motor vehicle insurance policy for
2914 which a licensed general lines agent may charge a
2915 specified fee; revising applicability; conforming a
2916 cross-reference; amending s. 627.7415, F.S.; revising,
2917 at specified intervals, the minimum levels of certain
2918 liability insurance required for commercial motor
2919 vehicles; amending s. 627.8405, F.S.; revising
2920 coverages in a policy sold in combination with an
2921 accidental death and dismemberment policy, which a
2922 premium finance company may not finance; revising
2923 rulemaking authority of the commission; amending ss.
2924 627.915, 628.909, 705.184, and 713.78, F.S.;
2925 conforming provisions to changes made by the act;
2926 amending s. 817.234, F.S.; revising coverages that are
2927 the basis of specified prohibited false and fraudulent
2928 insurance claims; conforming a provision to changes
2929 made by the act; conforming a cross-reference;
2930 providing applicability and construction relating to
2931 changes made by the act; defining the term "minimum
2932 security requirements"; providing requirements and
2933 procedures relating to motor vehicle insurance
2934 policies that include personal injury protection as of
2935 a specified date; requiring an insurer to provide, by
2936 a specified date, a specified notice to policyholders
2937 relating to requirements under the act; providing for
2938 construction relating to suspensions for failure to
2939 maintain required security in effect before a



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2940

specified date; providing effective dates.

By Senator Lee

20-00220-18

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1 A bill to be entitled
 2 An act relating to motor vehicle insurance; repealing
 3 ss. 627.730, 627.731, 627.7311, 627.732, 627.733,
 4 627.734, 627.736, 627.737, 627.739, 627.7401,
 5 627.7403, and 627.7405, F.S., which comprise the
 6 Florida Motor Vehicle No-Fault Law; repealing s.
 7 627.7407, F.S., relating to application of the Florida
 8 Motor Vehicle No-Fault Law; amending s. 316.646, F.S.;
 9 revising a requirement for proof of security on a
 10 motor vehicle and the applicability of the
 11 requirement; amending s. 318.18, F.S.; conforming a
 12 provision to changes made by the act; amending s.
 13 320.02, F.S.; revising the motor vehicle insurance
 14 coverages that an applicant must show to register
 15 certain vehicles with the Department of Highway Safety
 16 and Motor Vehicles; deleting a requirement that
 17 specified information be included on a certain
 18 insurance proof-of-purchase card; revising
 19 construction; amending s. 320.0609, F.S.; conforming a
 20 provision to changes made by the act; amending s.
 21 320.27, F.S.; revising requirements for furnishing
 22 certain insurance coverage information on an
 23 application for a motor vehicle dealer; revising
 24 insurance coverage requirements for certain motor
 25 vehicle dealers; amending s. 320.771, F.S.; revising
 26 garage liability coverage requirements for a
 27 recreational vehicle dealer license applicant;
 28 amending ss. 322.251 and 322.34, F.S.; conforming
 29 provisions to changes made by the act; amending s.

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

20-00220-18

2018150__

30 324.011, F.S.; revising legislative intent; amending
 31 s. 324.021, F.S.; revising definitions of the terms
 32 "motor vehicle" and "proof of financial
 33 responsibility"; revising, at specified timeframes,
 34 minimum coverage requirements for proof of financial
 35 responsibility; defining the term "for-hire passenger
 36 transportation vehicle"; conforming provisions to
 37 changes made by the act; amending s. 324.022, F.S.;
 38 revising, at specified timeframes, minimum liability
 39 coverage requirements for motor vehicle owners and
 40 operators; revising authorized methods for meeting
 41 such requirements; revising the vehicles that are
 42 excluded from the definition of the term "motor
 43 vehicle" and providing security requirements for
 44 certain excluded vehicles; deleting the definition of
 45 the term "owner"; conforming provisions to changes
 46 made by the act; conforming cross-references; amending
 47 s. 324.0221, F.S.; revising applicability of certain
 48 insurer reporting and notice requirements as to
 49 policies providing certain coverages; conforming a
 50 provision to changes made by the act; amending s.
 51 324.023, F.S.; conforming cross-references; amending
 52 s. 324.031, F.S.; revising applicability of a
 53 provision authorizing certain methods of proving
 54 financial responsibility; revising, at specified
 55 timeframes, the amount of a certificate of deposit
 56 required for a specified method of proof of financial
 57 responsibility; revising excess liability coverage
 58 requirements for a person electing to use such method;

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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59 amending s. 324.032, F.S.; revising requirements of
 60 financial responsibility for for-hire passenger
 61 transportation vehicles; revising applicability of
 62 such requirements; revising a requirement for a motor
 63 vehicle liability policy obtained to comply with such
 64 requirements; conforming a cross-reference; amending
 65 s. 324.051, F.S.; making technical changes; amending
 66 s. 324.071, F.S.; revising the fee for reinstating an
 67 owner's or operator's license or registration that has
 68 been suspended for specified reasons; amending s.
 69 324.091, F.S.; making technical changes; amending s.
 70 324.151, F.S.; revising requirements for a motor
 71 vehicle liability policy that serves as proof of
 72 financial responsibility for certain operators or
 73 owners; authorizing an insurer to exclude liability
 74 coverage in the policy under certain circumstances;
 75 defining terms; amending s. 324.161, F.S.; revising
 76 requirements for a certificate of deposit that is
 77 required if a person elects a certain method of
 78 providing financial responsibility; amending s.
 79 324.171, F.S.; revising, at specified timeframes, the
 80 minimum net worth requirements to qualify certain
 81 persons as self-insurers; conforming provisions to
 82 changes made by the act; amending s. 324.251, F.S.;
 83 revising the short title and an effective date;
 84 amending s. 400.9905, F.S.; revising the definition of
 85 the term "clinic"; amending ss. 400.991 and 400.9935,
 86 F.S.; conforming provisions to changes made by the
 87 act; amending s. 409.901, F.S.; revising the

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88 definition of the term "third-party benefit"; amending
 89 s. 409.910, F.S.; revising the definition of the term
 90 "medical coverage"; making technical changes; amending
 91 s. 456.057, F.S.; conforming a cross-reference;
 92 amending s. 456.072, F.S.; revising specified grounds
 93 for discipline for certain health professions;
 94 amending s. 626.9541, F.S.; revising types of
 95 insurance coverage applicable to certain prohibited
 96 acts; conforming a cross-reference; amending s.
 97 626.989, F.S.; revising the definition of the term
 98 "fraudulent insurance act"; amending s. 627.06501,
 99 F.S.; revising coverages that may provide for a
 100 reduction in motor vehicle insurance policy premium
 101 charges under certain circumstances; amending s.
 102 627.0652, F.S.; revising coverages that must provide a
 103 premium charge reduction under certain circumstances;
 104 amending s. 627.0653, F.S.; revising coverages subject
 105 to premium discounts for specified motor vehicle
 106 equipment; amending s. 627.4132, F.S.; revising the
 107 coverages of a motor vehicle policy which are subject
 108 to a stacking prohibition; amending s. 627.7263, F.S.;
 109 revising provisions relating to designation of primary
 110 coverages for rental and leasing driver's insurance;
 111 conforming provisions to changes made by the act;
 112 creating s. 627.7265, F.S.; defining terms; requiring
 113 specified motor vehicle liability insurance policies
 114 to include medical payments coverage; specifying
 115 requirements for such medical payments coverage;
 116 authorizing insurers to exclude medical payment

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117 benefits under certain circumstances; specifying
 118 required benefits and limitations for medical payments
 119 coverage; specifying requirements, procedures, and
 120 prohibitions relating to the payment of medical
 121 payments benefits; specifying requirements,
 122 procedures, limitations, and prohibitions relating to
 123 charges and billing for care of bodily injuries under
 124 medical payments coverage; requiring the Department of
 125 Health to adopt rules; defining the terms
 126 "countersign" and "countersignature"; specifying
 127 requirements and procedures relating to specified
 128 notices and advisories to insureds; specifying
 129 requirements and procedures relating to discovery of
 130 facts about an injured person and disputes; defining
 131 the term "receipt"; specifying requirements,
 132 procedures, and prohibitions relating to required
 133 mental and physical examinations of injured persons
 134 and physician reports; defining the term "active
 135 practice"; providing applicability of certain
 136 provisions regulating attorney fees; specifying
 137 requirements and procedures for prelitigation demand
 138 letters to be provided to insurers; requiring
 139 specified claims to be brought in a single civil
 140 action; providing that an insurer engages in an unfair
 141 or deceptive practice if it fails, in a certain
 142 manner, to pay valid claims; authorizing the
 143 Department of Legal Affairs to investigate and
 144 initiate certain actions; providing construction
 145 relating to an insurer's cause of action for insurance

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146 fraud; specifying requirements for a fraud advisory
 147 notice provided by an insurer under certain
 148 circumstances; providing construction relating to
 149 nonreimbursable claims; authorizing certain notices,
 150 documentation, transmissions, or communications to be
 151 transferred electronically in a secure manner;
 152 authorizing a medical payments insurer to include a
 153 certain right of subrogation provision in its policy;
 154 requiring the Financial Services Commission to adopt
 155 rules; providing applicability and construction;
 156 amending s. 627.727, F.S.; revising the legal
 157 liability of an uninsured motorist coverage insurer;
 158 conforming a provision to changes made by the act;
 159 amending s. 627.7275, F.S.; revising applicability and
 160 required coverages for a motor vehicle insurance
 161 policy; conforming provisions to changes made by the
 162 act; amending s. 627.728, F.S.; conforming a provision
 163 to changes made by the act; amending s. 627.7295,
 164 F.S.; revising the definitions of the terms "policy"
 165 and "binder"; revising the coverages of a motor
 166 vehicle insurance policy for which a licensed general
 167 lines agent may charge a specified fee; revising
 168 applicability; conforming a cross-reference; amending
 169 s. 627.7415, F.S.; revising, at specified intervals,
 170 the minimum levels of certain liability insurance
 171 required for commercial motor vehicles; amending s.
 172 627.8405, F.S.; revising coverages in a policy sold in
 173 combination with an accidental death and dismemberment
 174 policy, which a premium finance company may not

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175 finance; revising rulemaking authority of the
 176 commission; amending ss. 627.915, 628.909, 705.184,
 177 and 713.78, F.S.; conforming provisions to changes
 178 made by the act; amending s. 817.234, F.S.; revising
 179 coverages that are the basis of specified prohibited
 180 false and fraudulent insurance claims; conforming a
 181 cross-reference; providing applicability and
 182 construction relating to this act; defining the term
 183 "minimum security requirements"; providing
 184 requirements and procedures relating to motor vehicle
 185 insurance policies that include personal injury
 186 protection as of a specified date; requiring an
 187 insurer to provide, by a specified date, a specified
 188 notice to policyholders relating to requirements under
 189 the act; providing for construction relating to
 190 suspensions for failure to maintain required security
 191 in effect before a specified date; providing effective
 192 dates.

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

196 Section 1. Sections 627.730, 627.731, 627.7311, 627.732,
 197 627.733, 627.734, 627.736, 627.737, 627.739, 627.7401, 627.7403,
 198 and 627.7405, Florida Statutes, which comprise the Florida Motor
 199 Vehicle No-Fault Law, are repealed.

200 Section 2. Section 627.7407, Florida Statutes, is repealed.

201 Section 3. Subsection (1) of section 316.646, Florida
 202 Statutes, is amended to read:

203 316.646 Security required; proof of security and display

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204 thereof.-

205 (1) An owner of a motor vehicle required to be registered
 206 in this state and an operator of a motor vehicle licensed in
 207 this state ~~Any person required by s. 324.022 to maintain~~
 208 ~~property damage liability security, required by s. 324.023 to~~
 209 ~~maintain liability security for bodily injury or death, or~~
 210 ~~required by s. 627.733 to maintain personal injury protection~~
 211 ~~security on a motor vehicle~~ shall have in his or her immediate
 212 possession at all times while operating such motor vehicle
 213 proper proof of maintenance of the ~~required security~~ required
 214 under s. 324.021(7).

215 (a) Such proof must ~~shall~~ be in a uniform paper or
 216 electronic format, as prescribed by the department, a valid
 217 insurance policy, an insurance policy binder, a certificate of
 218 insurance, or such other proof as may be prescribed by the
 219 department.

220 (b)1. The act of presenting to a law enforcement officer an
 221 electronic device displaying proof of insurance in an electronic
 222 format does not constitute consent for the officer to access any
 223 information on the device other than the displayed proof of
 224 insurance.

225 2. The person who presents the device to the officer
 226 assumes the liability for any resulting damage to the device.

227 Section 4. Paragraph (b) of subsection (2) of section
 228 318.18, Florida Statutes, is amended to read:

229 318.18 Amount of penalties.—The penalties required for a
 230 noncriminal disposition pursuant to s. 318.14 or a criminal
 231 offense listed in s. 318.17 are as follows:

232 (2) Thirty dollars for all nonmoving traffic violations

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233 and:

234 (b) For all violations of ss. 320.0605, 320.07(1), 322.065,
235 and 322.15(1). ~~A~~ Any person who is cited for a violation of s.
236 320.07(1) shall be charged a delinquent fee pursuant to s.
237 320.07(4).

238 1. If a person who is cited for a violation of s. 320.0605
239 or s. 320.07 can show proof of having a valid registration at
240 the time of arrest, the clerk of the court may dismiss the case
241 and may assess a dismissal fee of up to \$10. A person who finds
242 it impossible or impractical to obtain a valid registration
243 certificate must submit an affidavit detailing the reasons for
244 the impossibility or impracticality. The reasons may include,
245 but are not limited to, the fact that the vehicle was sold,
246 stolen, or destroyed; that the state in which the vehicle is
247 registered does not issue a certificate of registration; or that
248 the vehicle is owned by another person.

249 2. If a person who is cited for a violation of s. 322.03,
250 s. 322.065, or s. 322.15 can show a driver license issued to him
251 or her and valid at the time of arrest, the clerk of the court
252 may dismiss the case and may assess a dismissal fee of up to
253 \$10.

254 3. If a person who is cited for a violation of s. 316.646
255 can show proof of security as required by s. 324.021(7) ~~or~~
256 ~~627.733~~, issued to the person and valid at the time of arrest,
257 the clerk of the court may dismiss the case and may assess a
258 dismissal fee of up to \$10. A person who finds it impossible or
259 impractical to obtain proof of security must submit an affidavit
260 detailing the reasons for the impracticality. The reasons may
261 include, but are not limited to, the fact that the vehicle has

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262 since been sold, stolen, or destroyed; ~~that the owner or~~
263 ~~registrant of the vehicle is not required by s. 627.733 to~~
264 ~~maintain personal injury protection insurance;~~ or that the
265 vehicle is owned by another person.

266 Section 5. Paragraphs (a) and (d) of subsection (5) of
267 section 320.02, Florida Statutes, are amended to read:

268 320.02 Registration required; application for registration;
269 forms.—

270 (5) (a) Proof that bodily injury liability coverage and
271 property damage liability coverage ~~personal injury protection~~
272 ~~benefits~~ have been purchased if required under s. 324.022, s.
273 324.032, or s. 627.742, that medical payments coverage has been
274 purchased if required under s. 627.7265 ~~s. 627.733, that~~
275 ~~property damage liability coverage has been purchased as~~
276 ~~required under s. 324.022, that bodily injury liability or death~~
277 coverage has been purchased if required under s. 324.023, and
278 that combined bodily liability insurance and property damage
279 liability insurance have been purchased if required under s.
280 627.7415 must ~~shall~~ be provided in the manner prescribed by law
281 by the applicant at the time of application for registration of
282 any motor vehicle that is subject to such requirements. The
283 issuing agent may not ~~shall refuse to~~ issue registration if such
284 proof of purchase is not provided. Insurers shall furnish
285 uniform proof-of-purchase cards in a paper or electronic format
286 in a form prescribed by the department and include the name of
287 the insured's insurance company, the coverage identification
288 number, and the make, year, and vehicle identification number of
289 the vehicle insured. The card must contain a statement notifying
290 the applicant of the penalty specified under s. 316.646(4). The

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card or insurance policy, insurance policy binder, or certificate of insurance or a photocopy of any of these; an affidavit containing the name of the insured's insurance company, the insured's policy number, and the make and year of the vehicle insured; or such other proof as may be prescribed by the department ~~constitutes~~ shall constitute sufficient proof of purchase. If an affidavit is provided as proof, it must be in substantially the following form:

Under penalty of perjury, I ...(Name of insured)... do hereby certify that I have ...(bodily injury liability and Personal Injury Protection, property damage liability coverage, and medical payments coverage, and, if required, Bodily Injury Liability)... Insurance currently in effect with ...(Name of insurance company)... under ...(policy number)... covering ...(make, year, and vehicle identification number of vehicle).... ...(Signature of Insured)...

Such affidavit must include the following warning:

WARNING: GIVING FALSE INFORMATION IN ORDER TO OBTAIN A VEHICLE REGISTRATION CERTIFICATE IS A CRIMINAL OFFENSE UNDER FLORIDA LAW. ANYONE GIVING FALSE INFORMATION ON THIS AFFIDAVIT IS SUBJECT TO PROSECUTION.

If an application is made through a licensed motor vehicle dealer as required under s. 319.23, the original or a photocopy ~~photostatic copy~~ of such card, insurance policy, insurance policy binder, or certificate of insurance or the original

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affidavit from the insured ~~must~~ shall be forwarded by the dealer to the tax collector of the county or the Department of Highway Safety and Motor Vehicles for processing. By executing the ~~aforesaid~~ affidavit, ~~a~~ no licensed motor vehicle dealer is ~~not~~ will be liable in damages for any inadequacy, insufficiency, or falsification of any statement contained therein. ~~A card must also indicate the existence of any bodily injury liability insurance voluntarily purchased.~~

(d) The verifying of ~~proof of personal injury protection insurance, proof of property damage liability insurance, proof of combined bodily liability insurance and property damage liability insurance, or proof of financial responsibility insurance~~ and the issuance or failure to issue the motor vehicle registration under ~~the provisions of this chapter~~ may not be construed in any court as a warranty of the reliability or accuracy of the evidence of such proof, or that the provisions of any insurance policy furnished as proof of financial responsibility comply with state law. ~~Neither~~ The department ~~or~~ nor any tax collector is not liable in damages for any inadequacy, insufficiency, falsification, or unauthorized modification of any item of ~~the proof of personal injury protection insurance, proof of property damage liability insurance, proof of combined bodily liability insurance and property damage liability insurance, or proof of financial responsibility before insurance prior to~~, during, or subsequent to the verification of the proof. The issuance of a motor vehicle registration does not constitute prima facie evidence or a presumption of insurance coverage.

Section 6. Paragraph (b) of subsection (1) of section

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320.0609, Florida Statutes, is amended to read:

320.0609 Transfer and exchange of registration license plates; transfer fee.—

(1)

(b) The transfer of a license plate from a vehicle disposed of to a newly acquired vehicle does not constitute a new registration. The application for transfer shall be accepted without requiring proof of ~~personal injury protection or~~ liability insurance.

Section 7. Subsection (3) of section 320.27, Florida Statutes, is amended to read:

320.27 Motor vehicle dealers.—

(3) APPLICATION AND FEE.—~~The application for the license application must~~ shall be in such form as may be prescribed by the department and ~~is~~ shall be subject to such rules ~~with respect thereto~~ as may be so prescribed by the department ~~it~~. Such application must ~~shall~~ be verified by oath or affirmation and must ~~shall~~ contain a full statement of the name and birth date of the person or persons applying for the license ~~therefor~~; the name of the firm or copartnership, with the names and places of residence of all members ~~thereof~~, if such applicant is a firm or copartnership; the names and places of residence of the principal officers, if the applicant is a body corporate or other artificial body; the name of the state under whose laws the corporation is organized; the present and former place or places of residence of the applicant; and the prior business in which the applicant has been engaged and its the location thereof. ~~The~~ Such application must ~~shall~~ describe the exact location of the place of business and must ~~shall~~ state whether

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the place of business is owned by the applicant and when acquired, or, if leased, a true copy of the lease must ~~shall~~ be attached to the application. The applicant shall certify that the location provides an adequately equipped office and is not a residence; that the location affords sufficient unoccupied space upon and within which adequately to store all motor vehicles offered and displayed for sale; and that the location is a suitable place where the applicant can in good faith carry on such business and keep and maintain books, records, and files necessary to conduct such business, which must ~~shall~~ be available at all reasonable hours to inspection by the department or any of its inspectors or other employees. The applicant shall certify that the business of a motor vehicle dealer is the principal business that will ~~which shall~~ be conducted at that location. The application must ~~shall~~ contain a statement that the applicant is either franchised by a manufacturer of motor vehicles, in which case the name of each motor vehicle that the applicant is franchised to sell must ~~shall~~ be included, or an independent (nonfranchised) motor vehicle dealer. The application must ~~shall~~ contain other relevant information as may be required by the department. The applicant must furnish, including evidence, in a form approved by the department, ~~including evidence, in a form approved by the department,~~ that the applicant is insured under a garage liability insurance policy or a general liability insurance policy coupled with a business automobile policy having the liability coverage required by this subsection, ~~which shall include, at a minimum, \$25,000 combined single limit liability coverage including bodily injury and property damage protection and \$10,000 personal injury protection.~~ However, a salvage motor

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407 vehicle dealer as defined in subparagraph (1)(c)5. is exempt
 408 from the requirements for garage liability insurance and medical
 409 payments coverage insurance and personal injury protection
 410 insurance on those vehicles that cannot be legally operated on
 411 roads, highways, or streets in this state. Franchise dealers
 412 must submit a garage liability insurance policy, and all other
 413 dealers must submit a garage liability insurance policy or a
 414 general liability insurance policy coupled with a business
 415 automobile policy. Such policy must ~~shall~~ be for the license
 416 period and must include, at a minimum, \$70,000 combined single-
 417 limit bodily injury and property damage liability coverage that
 418 conforms to the requirements of s. 324.151. ~~and Evidence of a~~
 419 new or continued policy must ~~shall~~ be delivered to the
 420 department at the beginning of each license period. Upon making
 421 an initial application, the applicant shall pay to the
 422 department a fee of \$300 in addition to any other fees required
 423 by law. Applicants may choose to extend the licensure period for
 424 1 additional year for a total of 2 years. An initial applicant
 425 shall pay to the department a fee of \$300 for the first year and
 426 \$75 for the second year, in addition to any other fees required
 427 by law. An applicant for renewal shall pay to the department \$75
 428 for a 1-year renewal or \$150 for a 2-year renewal, in addition
 429 to any other fees required by law. Upon making an application
 430 for a change of location, the applicant ~~person~~ shall pay a fee
 431 of \$50 in addition to any other fees now required by law. The
 432 department shall, in the case of every application for initial
 433 licensure, verify whether certain facts set forth in the
 434 application are true. Each applicant, general partner in the
 435 case of a partnership, or corporate officer and director in the

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436 case of a corporate applicant, shall ~~must~~ file a set of
 437 fingerprints with the department for the purpose of determining
 438 any prior criminal record or any outstanding warrants. The
 439 department shall submit the fingerprints to the Department of
 440 Law Enforcement for state processing and forwarding to the
 441 Federal Bureau of Investigation for federal processing. The
 442 actual cost of state and federal processing must ~~shall~~ be borne
 443 by the applicant and is in addition to the fee for licensure.
 444 The department may issue a license to an applicant pending the
 445 results of the fingerprint investigation, which license is fully
 446 revocable if the department subsequently determines that any
 447 facts set forth in the application are not true or correctly
 448 represented.

449 Section 8. Paragraph (j) of subsection (3) of section
 450 320.771, Florida Statutes, is amended to read:

451 320.771 License required of recreational vehicle dealers.—

452 (3) APPLICATION.—The application for such license shall be
 453 in the form prescribed by the department and subject to such
 454 rules as may be prescribed by it. The application shall be
 455 verified by oath or affirmation and shall contain:

456 (j) A statement that the applicant is insured under a
 457 garage liability insurance policy, which must ~~shall~~ include, at
 458 a minimum, \$70,000 ~~\$25,000~~ combined single-limit bodily injury
 459 and property damage liability coverage, ~~including bodily injury~~
 460 ~~and property damage protection,~~ and \$10,000 personal injury
 461 ~~protection,~~ if the applicant is to be licensed as a dealer in,
 462 or intends to sell, recreational vehicles.

463
 464 The department shall, if it deems necessary, cause an

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investigation to be made to ascertain if the facts set forth in the application are true and shall not issue a license to the applicant until it is satisfied that the facts set forth in the application are true.

Section 9. Subsections (1) and (2) of section 322.251, Florida Statutes, are amended to read:

322.251 Notice of cancellation, suspension, revocation, or disqualification of license.—

(1) All orders of cancellation, suspension, revocation, or disqualification issued under ~~the provisions of~~ this chapter, chapter 318, or chapter 324 must, ~~or ss. 627.732-627.734 shall~~ be given either by personal delivery thereof to the licensee whose license is being canceled, suspended, revoked, or disqualified or by deposit in the United States mail in an envelope, first class, postage prepaid, addressed to the licensee at his or her last known mailing address furnished to the department. Such mailing by the department constitutes notification, and any failure by the person to receive the mailed order will not affect or stay the effective date or term of the cancellation, suspension, revocation, or disqualification of the licensee's driving privilege.

(2) The giving of notice and an order of cancellation, suspension, revocation, or disqualification by mail is complete upon expiration of 20 days after deposit in the United States mail for all notices except those issued under chapter 324 ~~or ss. 627.732-627.734~~, which are complete 15 days after deposit in the United States mail. Proof of the giving of notice and an order of cancellation, suspension, revocation, or disqualification in either manner must ~~shall~~ be made by entry in

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the records of the department that such notice was given. The entry is admissible in the courts of this state and constitutes sufficient proof that such notice was given.

Section 10. Paragraph (a) of subsection (8) of section 322.34, Florida Statutes, is amended to read:

322.34 Driving while license suspended, revoked, canceled, or disqualified.—

(8) (a) Upon the arrest of a person for the offense of driving while the person's driver license or driving privilege is suspended or revoked, the arresting officer shall determine:

1. Whether the person's driver license is suspended or revoked.

2. Whether the person's driver license has remained suspended or revoked since a conviction for the offense of driving with a suspended or revoked license.

3. Whether the suspension or revocation was made under s. 316.646 ~~or s. 627.733~~, relating to failure to maintain required security, or under s. 322.264, relating to habitual traffic offenders.

4. Whether the driver is the registered owner or coowner of the vehicle.

Section 11. Section 324.011, Florida Statutes, is amended to read:

324.011 Legislative intent and purpose of chapter.—It is the Legislature's intent of this chapter to ensure that the privilege of owning or operating a motor vehicle in this state be exercised ~~recognize the existing privilege to own or operate a motor vehicle on the public streets and highways of this state when such vehicles are used with due consideration for others'~~

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~~safety others~~ and their property, ~~and to promote safety, and to~~
 provide financial security requirements for ~~such~~ owners ~~and of~~
 operators whose responsibility it is to recompense others for
 injury to person or property caused by the operation of a motor
 vehicle. Therefore, this chapter requires that owners and
operators of motor vehicles establish, maintain, and it is
~~required herein that the operator of a motor vehicle involved in~~
~~a crash or convicted of certain traffic offenses meeting the~~
~~operative provisions of s. 324.051(2) shall respond for such~~
~~damages and~~ show proof of financial ability to respond for
 damages arising out of the ownership, maintenance, or use of a
motor vehicle in future accidents as a requisite to owning or
operating a motor vehicle in this state ~~his or her future~~
~~exercise of such privileges.~~

Section 12. Subsections (1) and (7) and paragraph (c) of
 subsection (9) of section 324.021, Florida Statutes, are
 amended, and subsection (12) is added to that section, to read:

324.021 Definitions; minimum insurance required.—The
 following words and phrases when used in this chapter shall, for
 the purpose of this chapter, have the meanings respectively
 ascribed to them in this section, except in those instances
 where the context clearly indicates a different meaning:

(1) MOTOR VEHICLE.—Every self-propelled vehicle that is
 designed and required to be licensed for use upon a highway,
 including trailers and semitrailers designed for use with such
 vehicles, except traction engines, road rollers, farm tractors,
 power shovels, and well drillers, and every vehicle that is
 propelled by electric power obtained from overhead wires but not
 operated upon rails, but not including any personal delivery

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device as defined in s. 316.003, bicycle, or moped. ~~However, the~~
~~term "motor vehicle" does not include a motor vehicle as defined~~
~~in s. 627.732(3) when the owner of such vehicle has complied~~
~~with the requirements of ss. 627.730-627.7405, inclusive, unless~~
~~the provisions of s. 324.051 apply; and, in such case, the~~
~~applicable proof of insurance provisions of s. 320.02 apply.~~

(7) PROOF OF FINANCIAL RESPONSIBILITY.—~~That~~ Proof of
 ability to respond in damages for liability on account of
 crashes arising out of the ownership, maintenance, or use of a
 motor vehicle:

(a) With respect to a motor vehicle that is not a
commercial motor vehicle, nonpublic sector bus, or for-hire
passenger transportation vehicle:

1. Beginning January 1, 2019, and continuing through
December 31, 2020, in the amount of:

a. Twenty thousand dollars for \$10,000 because of bodily
 injury to, or the death of, one person in any one crash and,
~~(b)~~ subject to such limits for one person, in the amount of
\$40,000 for \$20,000 because of bodily injury to, or the death
 of, two or more persons in any one crash; and

b. Ten thousand dollars for damage to, or destruction of,
property of others in any one crash.

2. Beginning January 1, 2021, and continuing through
December 31, 2022, in the amount of:

a. Twenty-five thousand dollars for bodily injury to, or
the death of, one person in any one crash and, subject to such
limits for one person, in the amount of \$50,000 for bodily
injury to, or the death of, two or more persons in any one
crash; and

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581 b. Ten thousand dollars for damage to, or destruction of,
 582 property of others in any one crash.
 583 3. Beginning January 1, 2023, and continuing thereafter, in
 584 the amount of:
 585 a. Thirty thousand dollars for bodily injury to, or the
 586 death of, one person in any one crash and, subject to such
 587 limits for one person, in the amount of \$60,000 for bodily
 588 injury to, or the death of, two or more persons in any one
 589 crash; and
 590 b. ~~(e)~~ Ten thousand dollars for damage in the amount of
 591 \$10,000 because of injury to, or destruction of, property of
 592 others in any one crash. ~~and~~
 593 (b) ~~(d)~~ With respect to commercial motor vehicles and
 594 nonpublic sector buses, in the amounts specified in s. 627.7415
 595 ss. 627.7415 and 627.742, respectively.
 596 (c) With respect to nonpublic sector buses, in the amounts
 597 specified in s. 627.742.
 598 (d) With respect to for-hire passenger transportation
 599 vehicles, in the amounts specified in s. 324.032.
 600 (9) OWNER; OWNER/LESSOR.—
 601 (c) Application.—
 602 1. The limits on liability in subparagraphs (b)2. and 3. do
 603 not apply to an owner of motor vehicles that are used for
 604 commercial activity in the owner's ordinary course of business,
 605 other than a rental company that rents or leases motor vehicles.
 606 For purposes of this paragraph, the term "rental company"
 607 includes only an entity that is engaged in the business of
 608 renting or leasing motor vehicles to the general public and that
 609 rents or leases a majority of its motor vehicles to persons with

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610 no direct or indirect affiliation with the rental company. The
 611 term also includes a motor vehicle dealer that provides
 612 temporary replacement vehicles to its customers for up to 10
 613 days. The term "rental company" also includes:
 614 a. A related rental or leasing company that is a subsidiary
 615 of the same parent company as that of the renting or leasing
 616 company that rented or leased the vehicle.
 617 b. The holder of a motor vehicle title or an equity
 618 interest in a motor vehicle title if the title or equity
 619 interest is held pursuant to or to facilitate an asset-backed
 620 securitization of a fleet of motor vehicles used solely in the
 621 business of renting or leasing motor vehicles to the general
 622 public and under the dominion and control of a rental company,
 623 as described in this subparagraph, in the operation of such
 624 rental company's business.
 625 2. Furthermore, with respect to commercial motor vehicles
 626 as defined in s. 207.002 or s. 320.01 ~~s. 627.732~~, the limits on
 627 liability in subparagraphs (b)2. and 3. do not apply if, at the
 628 time of the incident, the commercial motor vehicle is being used
 629 in the transportation of materials found to be hazardous for the
 630 purposes of the Hazardous Materials Transportation Authorization
 631 Act of 1994, as amended, 49 U.S.C. ss. 5101 et seq., and that is
 632 required pursuant to such act to carry placards warning others
 633 of the hazardous cargo, unless at the time of lease or rental
 634 either:
 635 a. The lessee indicates in writing that the vehicle will
 636 not be used to transport materials found to be hazardous for the
 637 purposes of the Hazardous Materials Transportation Authorization
 638 Act of 1994, as amended, 49 U.S.C. ss. 5101 et seq.; or

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b. The lessee or other operator of the commercial motor vehicle has in effect insurance with limits of at least \$5 million ~~\$5,000,000~~ combined property damage and bodily injury liability.

(12) FOR-HIRE PASSENGER TRANSPORTATION VEHICLE.—Every “for-hire vehicle” as defined in s. 320.01(15) which is offered or used to provide transportation for persons, including taxicabs, limousines, and jitneys.

Section 13. Section 324.022, Florida Statutes, is amended to read:

324.022 Financial responsibility requirements ~~for property damage.—~~

(1) (a) Every owner ~~or operator~~ of a motor vehicle required to be registered in this state and every operator of a motor vehicle who is licensed in this state shall establish and continuously maintain the ability to respond in damages for liability on account of accidents arising out of the ownership, maintenance, or use of the motor vehicle in the amount of:

1. Beginning January 1, 2019, and continuing through December 31, 2020:

a. Twenty thousand dollars for bodily injury to, or the death of, one person in any one crash and, subject to such limits for one person, in the amount of \$40,000 for bodily injury to, or the death of, two or more persons in any one crash; and

b. Ten thousand dollars for damage to, or destruction of, property of others in any one crash.

2. Beginning January 1, 2021, and continuing through December 31, 2022:

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a. Twenty-five thousand dollars for bodily injury to, or the death of, one person in any one crash and, subject to such limits for one person, in the amount of \$50,000 for bodily injury to, or the death of, two or more persons in any one crash; and

b. Ten thousand dollars for damage to, or destruction of, property of others in any one crash.

3. Beginning January 1, 2023, and continuing thereafter:

a. Thirty thousand dollars for bodily injury to, or the death of, one person in any one crash and, subject to such limits for one person, in the amount of \$60,000 for bodily injury to, or the death of, two or more persons in any one crash; and

b. Ten thousand dollars for ~~\$10,000~~ because of damage to, or destruction of, property of others in any one crash.

(b) The requirements of paragraph (a) ~~this section~~ may be met by one of the methods established in s. 324.031; by self-insuring as authorized by s. 768.28(16); or by maintaining medical payments coverage under s. 627.7265 and a motor vehicle liability insurance policy that ~~an insurance policy providing coverage for property damage liability in the amount of at least \$10,000 because of damage to, or destruction of, property of others in any one accident arising out of the use of the motor vehicle. The requirements of this section may also be met by having a policy which provides combined property damage liability and bodily injury liability coverage for any one crash arising out of the ownership, maintenance, or use of a motor vehicle which conforms to the requirements of s. 324.151 in the amount of:~~

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1. At least \$50,000 for every owner and operator subject to the financial responsibility required in subparagraph (1)(a)1.

2. At least \$60,000 for every owner and operator subject to the financial responsibility required in subparagraph (1)(a)2.

3. At least \$70,000 for every owner and operator subject to the financial responsibility required in subparagraph (1)(a)3. ~~\$30,000 for combined property damage liability and bodily injury liability for any one crash arising out of the use of the motor vehicle. The policy, with respect to coverage for property damage liability, must meet the applicable requirements of s. 324.151, subject to the usual policy exclusions that have been approved in policy forms by the Office of Insurance Regulation. No insurer shall have any duty to defend uncovered claims irrespective of their joinder with covered claims.~~

(2) As used in this section, the term:

~~(a)~~ "motor vehicle" means any self-propelled vehicle that has four or more wheels and that is of a type designed and required to be licensed for use on the highways of this state, and any trailer or semitrailer designed for use with such vehicle. The term does not include the following:

~~(a)1-~~ A mobile home as defined in s. 320.01.

~~(b)2-~~ A motor vehicle that is used in mass transit and designed to transport more than five passengers, exclusive of the operator of the motor vehicle, and that is owned by a municipality, transit authority, or political subdivision of the state.

~~(c)3-~~ A school bus as defined in s. 1006.25, which shall maintain security as required under s. 316.615.

~~(d)~~ A commercial motor vehicle as defined in s. 207.002 or

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s. 320.01, which shall maintain security as required under ss. 324.031 and 627.7415.

(e) A nonpublic sector bus, which shall maintain security as required under ss. 324.031 and 627.742.

~~(f)4-~~ A ~~vehicle providing~~ for-hire passenger transportation vehicle, which ~~that is subject to the provisions of s. 324.031-~~ A ~~taxicab~~ shall maintain security as required under s. 324.032 ~~s. 324.032(1).~~

~~(g)5-~~ A personal delivery device as defined in s. 316.003.

~~(b)~~ "Owner" means the person who holds legal title to a motor vehicle or the debtor or lessee who has the right to possession of a motor vehicle that is the subject of a security agreement or lease with an option to purchase.

(3) Each nonresident owner or registrant of a motor vehicle that, whether operated or not, has been physically present within this state for more than 90 days during the preceding 365 days shall maintain security as required by subsection (1). The security must be that is in effect continuously throughout the period the motor vehicle remains within this state.

(4) ~~An~~ The owner or registrant of a motor vehicle who is ~~exempt from the requirements of this section if she or he is a member of the United States Armed Forces and is called to or on active duty outside the United States in an emergency situation is exempt from this section while he or she-~~ The exemption provided by this subsection applies only as long as the member of the Armed Forces is on such active duty. This exemption outside the United States and applies only while the vehicle covered by the security is not operated by any person. Upon receipt of a written request by the insured to whom the

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exemption provided in this subsection applies, the insurer shall cancel the coverages and return any unearned premium or suspend the security required by this section. Notwithstanding s. ~~324.0221(2)~~ s. 324.0221(3), the department may not suspend the registration or operator's license of ~~an any~~ owner or registrant of a motor vehicle during the time she or he qualifies for the ~~an~~ exemption under this subsection. ~~An Any~~ owner or registrant of a motor vehicle who qualifies for the ~~an~~ exemption under this subsection shall immediately notify the department before ~~prior~~ ~~to~~ and at the end of the expiration of the exemption.

Section 14. Subsections (1) and (2) of section 324.0221, Florida Statutes, are amended to read:

324.0221 Reports by insurers to the department; suspension of driver license and vehicle registrations; reinstatement.—

(1)(a) Each insurer that has issued a policy providing ~~personal injury protection coverage or property damage~~ liability coverage shall report the cancellation or nonrenewal thereof to the department within 10 days after the processing date or effective date of each cancellation or nonrenewal. Upon the issuance of a policy providing ~~personal injury protection coverage or property damage~~ liability coverage to a named insured not previously insured by the insurer during that calendar year, the insurer shall report the issuance of the new policy to the department within 10 days. The report ~~must~~ shall be in the form ~~and format~~ and contain any information required by the department and must be provided in a format that is compatible with the data processing capabilities of the department. Failure by an insurer to file proper reports with the department as required by this subsection constitutes a

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violation of the Florida Insurance Code. These records ~~may~~ shall be used by the department only for enforcement and regulatory purposes, including the generation by the department of data regarding compliance by owners of motor vehicles with the requirements for financial responsibility coverage.

(b) With respect to an insurance policy providing medical payments coverage or ~~personal injury protection coverage or property damage~~ liability coverage, each insurer shall notify the named insured, or the first-named insured in the case of a commercial fleet policy, in writing that any cancellation or nonrenewal of the policy will be reported by the insurer to the department. The notice must also inform the named insured that failure to maintain medical payments coverage, bodily injury liability ~~personal injury protection~~ coverage, and property damage liability coverage on a motor vehicle when required by law may result in the loss of registration and driving privileges in this state and inform the named insured of the amount of the reinstatement fees required by this section. This notice is for informational purposes only, and an insurer is not civilly liable for failing to provide this notice.

(2) The department shall suspend, after due notice and an opportunity to be heard, the registration and driver license of any owner or operator registrant of a motor vehicle ~~for with~~ respect to which security is required under s. 324.022, s. 324.032, s. 627.7415, or s. 627.742 ~~ss. 324.022 and 627.733~~ upon:

(a) The department's records showing that the owner or operator registrant of such motor vehicle did not have the ~~in~~ ~~full force and effect when~~ required security in full force and

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813 ~~effect that complies with the requirements of ss. 324.022 and~~
 814 ~~627.733; or~~

815 (b) Notification by the insurer to the department, in a
 816 form approved by the department, of cancellation or termination
 817 of the required security.

818 Section 15. Section 324.023, Florida Statutes, is amended
 819 to read:

820 324.023 Financial responsibility for bodily injury or
 821 death.—In addition to any other financial responsibility
 822 required by law, every owner or operator of a motor vehicle that
 823 is required to be registered in this state, or that is located
 824 within this state, and who, regardless of adjudication of guilt,
 825 has been found guilty of or entered a plea of guilty or nolo
 826 contendere to a charge of driving under the influence under s.
 827 316.193 after October 1, 2007, shall, by one of the methods
 828 established in s. 324.031(1)(a) or (b) ~~s. 324.031(1) or (2)~~,
 829 establish and maintain the ability to respond in damages for
 830 liability on account of accidents arising out of the use of a
 831 motor vehicle in the amount of \$100,000 because of bodily injury
 832 to, or death of, one person in any one crash and, subject to
 833 such limits for one person, in the amount of \$300,000 because of
 834 bodily injury to, or death of, two or more persons in any one
 835 crash and in the amount of \$50,000 because of property damage in
 836 any one crash. If the owner or operator chooses to establish and
 837 maintain such ability by furnishing a certificate of deposit
 838 pursuant to s. 324.031(1)(b) ~~s. 324.031(2)~~, such certificate of
 839 deposit must be at least \$350,000. Such higher limits must be
 840 carried for a minimum period of 3 years. If the owner or
 841 operator has not been convicted of driving under the influence

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842 or a felony traffic offense for a period of 3 years from the
 843 date of reinstatement of driving privileges for a violation of
 844 s. 316.193, the owner or operator shall be exempt from this
 845 section.

846 Section 16. Section 324.031, Florida Statutes, is amended
 847 to read:

848 324.031 Manner of proving financial responsibility.—

849 ~~(1) The owner or operator of a taxicab, limousine, jitney,~~
 850 ~~or any other for-hire passenger transportation vehicle may prove~~
 851 ~~financial responsibility by providing satisfactory evidence of~~
 852 ~~holding a motor vehicle liability policy as defined in s.~~
 853 ~~324.021(8) or s. 324.151, which policy is issued by an insurance~~
 854 ~~carrier which is a member of the Florida Insurance Guaranty~~
 855 ~~Association. The operator or owner of a motor vehicle other than~~
 856 ~~a for-hire passenger transportation vehicle any other vehicle~~
 857 may prove his or her financial responsibility by:

858 (a)(1) ~~(a)(1)~~ Furnishing satisfactory evidence of holding a motor
 859 vehicle liability policy as defined in ss. 324.021(8) and
 860 324.151;

861 (b)(2) ~~(b)(2)~~ Furnishing a certificate of self-insurance showing a
 862 deposit of cash in accordance with s. 324.161; or

863 (c)(3) ~~(c)(3)~~ Furnishing a certificate of self-insurance issued by
 864 the department in accordance with s. 324.171.

865 (2)(a) ~~(2)(a) Any person, including any firm, partnership,~~
 866 ~~association, corporation, or other person, other than a natural~~
 867 ~~person,~~ electing to use the method of proof specified in
 868 paragraph (1)(b) ~~subsection (2)~~ shall furnish a certificate of
 869 deposit equal to the number of vehicles owned times:

870 1. Fifty thousand dollars, to a maximum of \$200,000, from

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January 1, 2019, through December 31, 2020.

2. Sixty thousand dollars, to a maximum of \$240,000, from January 1, 2021, through December 31, 2022.

3. Seventy thousand dollars, ~~\$30,000~~, to a maximum of \$280,000, from January 1, 2023, and thereafter. ~~\$120,000~~.

(b) In addition, any such person, ~~other than a natural person~~, shall maintain insurance providing coverage conforming to the requirements of s. 324.151 in excess of the amount of the certificate of deposit, with limits of at least:

1. One hundred twenty-five thousand dollars for bodily injury to, or the death of, one person in any one crash and, subject to such limits for one person, in the amount of \$250,000 for bodily injury to, or the death of, two or more persons in any one crash, and \$50,000 for damage to, or destruction of, property of others in any one crash; or \$10,000/20,000/10,000 or \$30,000 combined single limits, and such excess insurance shall provide minimum limits of \$125,000/250,000/50,000 or \$300,000 combined single limits. These increased limits shall not affect the requirements for proving financial responsibility under s. 324.032(1).

2. Three hundred thousand dollars for combined bodily injury liability and property damage liability for any one crash.

Section 17. Section 324.032, Florida Statutes, is amended to read:

324.032 ~~Manner of proving~~ Financial responsibility ~~for~~ for-hire passenger transportation vehicles. ~~Notwithstanding the provisions of s. 324.031:~~

(1) An owner, lessee, or operator of a for-hire passenger

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transportation vehicle that is required to be registered in this state shall establish and continuously maintain the ability to respond in damages for liability on account of accidents arising out of the ownership, maintenance, or use of the for-hire passenger transportation vehicle, in the amount of:

(a) One hundred twenty-five thousand dollars for bodily injury to, or the death of, one person in any one crash and, subject to such limits for one person, in the amount of \$250,000 for bodily injury to, or the death of, two or more persons in any one crash; and A person who is either the owner or a lessee required to maintain insurance under s. 627.733(1)(b) and who operates one or more taxicabs, limousines, jitneys, or any other for-hire passenger transportation vehicles may prove financial responsibility by furnishing satisfactory evidence of holding a motor vehicle liability policy, but with minimum limits of \$125,000/250,000/50,000.

(b) Fifty thousand dollars for damage to, or destruction of, property of others in any one crash ~~A person who is either the owner or a lessee required to maintain insurance under s. 324.021(9)(b) and who operates limousines, jitneys, or any other for-hire passenger vehicles, other than taxicabs, may prove financial responsibility by furnishing satisfactory evidence of holding a motor vehicle liability policy as defined in s. 324.031.~~

(2) Except as provided in subsection (3), the requirements of this section must be met by the owner, lessee, or operator providing satisfactory evidence of holding a motor vehicle liability policy conforming to the requirements of s. 324.151 which is issued by an insurance carrier that is a member of the

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Florida Insurance Guaranty Association.

~~(3)(2)~~ An owner or a lessee who ~~is required to maintain insurance under s. 324.021(9)(b) and who operates at least 300 taxicabs, limousines, jitneys, or any other for-hire passenger transportation vehicles may provide financial responsibility by complying with the provisions of s. 324.171, such compliance to be demonstrated by maintaining at its principal place of business an audited financial statement, prepared in accordance with generally accepted accounting principles, and providing to the department a certification issued by a certified public accountant that the applicant's net worth is at least equal to the requirements of s. 324.171 as determined by the Office of Insurance Regulation of the Financial Services Commission, including claims liabilities in an amount certified as adequate by a Fellow of the Casualty Actuarial Society.~~

Upon request by the department, the applicant shall ~~must~~ provide the department at the applicant's principal place of business in this state access to the applicant's underlying financial information and financial statements that provide the basis of the certified public accountant's certification. The applicant shall reimburse the requesting department for all reasonable costs incurred by it in reviewing the supporting information. The maximum amount of self-insurance permissible under this subsection is \$300,000 and must be stated on a per-occurrence basis, and the applicant shall maintain adequate excess insurance issued by an authorized or eligible insurer licensed or approved by the Office of Insurance Regulation. All risks self-insured shall remain with the owner or lessee providing it,

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and the risks are not transferable to any other person, unless a policy complying with subsections (1) and (2) ~~subsection (1)~~ is obtained.

Section 18. Paragraph (b) of subsection (2) of section 324.051, Florida Statutes, is amended to read:

324.051 Reports of crashes; suspensions of licenses and registrations.—

(2)

(b) This subsection does ~~shall~~ not apply:

1. To such operator or owner if such operator or owner had in effect at the time of such crash or traffic conviction a motor vehicle ~~an automobile~~ liability policy with respect to all of the registered motor vehicles owned by such operator or owner.

2. To such operator, if not the owner of such motor vehicle, if there was in effect at the time of such crash or traffic conviction a motor vehicle ~~an automobile~~ liability policy or bond with respect to his or her operation of motor vehicles not owned by him or her.

3. To such operator or owner if the liability of such operator or owner for damages resulting from such crash is, in the judgment of the department, covered by any other form of liability insurance or bond.

4. To any person who has obtained from the department a certificate of self-insurance, in accordance with s. 324.171, or to any person operating a motor vehicle for such self-insurer.

No such policy or bond shall be effective under this subsection unless it contains limits of not less than those specified in s.

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987 324.021(7).

988 Section 19. Section 324.071, Florida Statutes, is amended

989 to read:

990 324.071 Reinstatement; renewal of license; reinstatement

991 fee.—~~An any~~ operator or owner whose license or registration has

992 been suspended pursuant to s. 324.051(2), s. 324.072, s.

993 324.081, or s. 324.121 may effect its reinstatement upon

994 compliance with ~~the provisions of~~ s. 324.051(2)(a)3. or 4., or

995 s. 324.081(2) and (3), as the case may be, and with one of the

996 provisions of s. 324.031 and upon payment to the department of a

997 nonrefundable reinstatement fee as specified in s. 324.0221 of

998 \$15. Only one such fee may shall be paid by any one person

999 regardless irrespective of the number of licenses and

1000 registrations to be then reinstated or issued to such person.

1001 All Such fees must shall be deposited to a department trust

1002 fund. If when the reinstatement of any license or registration

1003 is effected by compliance with s. 324.051(2)(a)3. or 4., the

1004 department may shall not renew the license or registration

1005 within ~~a period of~~ 3 years after from such reinstatement, nor

1006 may shall any other license or registration be issued in the

1007 name of such person, unless the operator continues is continuing

1008 to comply with ~~one of the provisions of~~ s. 324.031.

1009 Section 20. Subsection (1) of section 324.091, Florida

1010 Statutes, is amended to read:

1011 324.091 Notice to department; notice to insurer.—

1012 (1) Each owner and operator involved in a crash or

1013 conviction case within the purview of this chapter shall furnish

1014 evidence of automobile liability insurance or motor vehicle

1015 liability insurance within 14 days after the date of the mailing

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1016 of notice of crash by the department in the form and manner as

1017 it may designate. Upon receipt of evidence that ~~a an automobile~~

1018 ~~liability policy or~~ motor vehicle liability policy was in effect

1019 at the time of the crash or conviction case, the department

1020 shall forward to the insurer such information for verification

1021 in a method as determined by the department. The insurer shall

1022 respond to the department within 20 days after the notice as to

1023 whether or not such information is valid. If the department

1024 determines that ~~a an automobile liability policy or~~ motor

1025 vehicle liability policy was not in effect and did not provide

1026 coverage for both the owner and the operator, it must shall take

1027 action as it is authorized to do under this chapter.

1028 Section 21. Section 324.151, Florida Statutes, is amended

1029 to read:

1030 324.151 Motor vehicle liability policies; required

1031 provisions.—

1032 (1) A motor vehicle liability policy that serves as to be

1033 proof of financial responsibility under s. 324.031(1) must,

1034 ~~shall~~ be issued to owners and or operators of motor vehicles

1035 under the following provisions:

1036 (a) ~~A motor vehicle An owner's~~ liability insurance policy

1037 issued to an owner of a motor vehicle registered in this state

1038 must shall designate by explicit description or by appropriate

1039 reference all motor vehicles for with respect to which coverage

1040 is thereby granted. The policy must and shall insure the person

1041 or persons owner named therein and any resident relative of a

1042 named insured other person as operator using such motor vehicle

1043 or motor vehicles with the express or implied permission of such

1044 owner against loss from the liability imposed by law for damage

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arising out of the ownership, maintenance, or use of any such
 motor vehicle except as otherwise provided in this section. The
policy must also insure any person operating an insured motor
vehicle with the express or implied permission of a named
insured against loss from the liability imposed by law for
damage arising out of the use of such vehicle. However, the
insurer may include provisions in its policy excluding liability
coverage for a motor vehicle not designated as an insured
vehicle on the policy, if such motor vehicle does not qualify as
a newly acquired vehicle, does not qualify as a temporary
substitute vehicle, and was owned by an insured or was furnished
for an insured's regular use for more than 30 consecutive days
before the event giving rise to the claim or motor vehicles
within the United States or the Dominion of Canada, subject to
limits, exclusive of interest and costs with respect to each
such motor vehicle as is provided for under s. 324.021(7).
 Insurers may make available, with respect to property damage
 liability coverage, a deductible amount not to exceed \$500. In
 the event of a property damage loss covered by a policy
 containing a property damage deductible provision, the insurer
 shall pay to the third-party claimant the amount of any property
 damage liability settlement or judgment, subject to policy
 limits, as if no deductible existed.

(b) A motor vehicle liability insurance policy issued to a
person who does not own a motor vehicle registered in this state
and who is not already insured under a policy described in
paragraph (a) must ~~An operator's motor vehicle liability policy~~
~~of insurance shall~~ insure the person or persons named therein
 against loss from the liability imposed ~~upon him or her~~ by law

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for damages arising out of the use ~~by the person~~ of any motor
 vehicle not owned by him or her, unless the vehicle was
furnished for the named insured's regular use and was used by
the named insured for more than 30 consecutive days before the
event giving rise to the claim ~~with the same territorial limits~~
~~and subject to the same limits of liability as referred to above~~
~~with respect to an owner's policy of liability insurance.~~

(c) All such motor vehicle liability policies must ~~shall~~
 state the name and address of the named insured, the coverage
 afforded by the policy, the premium charged therefor, the policy
 period, the limits of liability, and must ~~shall~~ contain an
 agreement or be endorsed that insurance is provided in
 accordance with the coverage defined in this chapter ~~as respects~~
~~bodily injury and death or property damage or both~~ and is
 subject to all provisions of this chapter. The policies must
insure all persons covered under the liability coverage against
loss from the liability imposed by law for any litigation costs
or attorney fees in any civil action defended by the insurer
which arises out of the ownership, maintenance, or use of a
motor vehicle for which there is liability coverage under the
policy. The ~~said~~ policies must ~~shall~~ also contain a provision
 that the satisfaction by an insured of a judgment for such
 injury or damage may ~~shall~~ not be a condition precedent to the
 right or duty of the insurance carrier to make payment on
 account of such injury or damage, and must ~~shall~~ also contain a
 provision that bankruptcy or insolvency of the insured or of the
 insured's estate may ~~shall~~ not relieve the insurance carrier of
 any of its obligations under the ~~said~~ policy. However, the
policies may contain provisions excluding liability coverage for

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a vehicle being used outside of the United States or Canada at the time of the accident.

(2) ~~The provisions of This section is shall not be~~ applicable to any automobile liability policy unless and until it is furnished as proof of financial responsibility for the future pursuant to s. 324.031, and then only from and after the date the said policy is so furnished.

(3) As used in this section, the term:

(a) "Newly acquired vehicle" means a vehicle owned by a named insured or resident relative of the named insured which was acquired within 30 days before an accident.

(b) "Resident relative" means a person related to a named insured by any degree by blood, marriage, or adoption, including a ward or foster child, who usually makes his or her home in the same family unit as the named insured, whether or not he or she temporarily lives elsewhere.

(c) "Temporary substitute vehicle" means any motor vehicle as defined in s. 320.01(1) not owned by the named insured which is temporarily used with the permission of the owner as a substitute for the owned motor vehicle designated on the policy, when the owned vehicle is withdrawn from normal use because of breakdown, repair, servicing, loss, or destruction.

Section 22. Section 324.161, Florida Statutes, is amended to read:

324.161 Proof of financial responsibility; deposit.—If a person elects to prove his or her financial responsibility under the method of proof specified in s. 324.031(1)(b), he or she must obtain proof of a certificate of deposit annually, in the amount required under s. 324.031(2), from a financial

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institution insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration. Proof of such certificate of deposit ~~Annually, before any certificate of insurance may be issued to a person, including any firm, partnership, association, corporation, or other person, other than a natural person, proof of a certificate of deposit of \$30,000 issued and held by a financial institution must be submitted to the department annually.~~ A power of attorney will be issued to and held by the department and may be executed upon a judgment issued against such person making the deposit, for damages for ~~because of~~ bodily injury to or death of any person or for damages for ~~because of~~ injury to or destruction of property resulting from the use or operation of any motor vehicle occurring after such deposit was made. Money so deposited is ~~shall not be~~ subject to attachment or execution unless such attachment or execution arises ~~shall arise~~ out of a lawsuit suit for such damages as aforesaid.

Section 23. Subsections (1) and (2) of section 324.171, Florida Statutes, are amended to read:

324.171 Self-insurer.—

(1) A ~~Any~~ person may qualify as a self-insurer by obtaining a certificate of self-insurance from the department. ~~which may, in its discretion and~~ Upon application of such a person, the department may issue a said certificate of self-insurance if the applicant when such person has satisfied the requirements of this section ~~to qualify as a self-insurer under this section:~~

(a) A private individual with private passenger vehicles must ~~shall~~ possess a net unencumbered worth: of

1. Beginning January 1, 2019, through December 31, 2020, of

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at least \$80,000.

2. Beginning January 1, 2021, through December 31, 2022, of
at least \$100,000.

3. Beginning January 1, 2023, and thereafter, of at least
\$120,000 ~~\$40,000~~.

(b) A person, including any firm, partnership, association, corporation, or other person, other than a natural person, must ~~shall~~:

1. Possess a net unencumbered worth: of
a. Beginning January 1, 2019, through December 31, 2020, of
at least \$80,000 for the first motor vehicle and \$40,000 for
each additional motor vehicle.

b. Beginning January 1, 2021, through December 31, 2022, of
at least \$100,000 for the first motor vehicle and \$50,000 for
each additional motor vehicle.

c. Beginning January 1, 2023, and thereafter, of at least
\$120,000 ~~\$40,000~~ for the first motor vehicle and \$60,000 ~~\$20,000~~
for each additional motor vehicle; or

2. Maintain sufficient net worth, in an amount determined
by the department, to be financially responsible for potential
losses. The department shall annually determine the minimum net
worth sufficient to satisfy this subparagraph as determined
~~annually by the department, pursuant to rules adopted~~
~~promulgated by the department, with the assistance of the Office~~
~~of Insurance Regulation of the Financial Services Commission, to~~
~~be financially responsible for potential losses. The rules must~~
consider any ~~shall take into consideration~~ excess insurance
carried by the applicant. The department's determination must
~~shall~~ be based upon reasonable actuarial principles considering

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the frequency, severity, and loss development of claims incurred
by casualty insurers writing coverage on the type of motor
vehicles for which a certificate of self-insurance is desired.

(c) The owner of a commercial motor vehicle, as defined in
s. 207.002 or s. 320.01, may qualify as a self-insurer subject
to the standards provided ~~for~~ in subparagraph (b)2.

(2) The self-insurance certificate must ~~shall~~ provide
limits of liability insurance in the amounts specified under s.
324.021(7) ~~or s. 627.7415 and shall provide personal injury~~
~~protection coverage under s. 627.733(3)(b).~~

Section 24. Section 324.251, Florida Statutes, is amended
to read:

324.251 Short title.—This chapter may be cited as the
"Financial Responsibility Law of 2018 ~~1955~~" and is ~~shall become~~
effective at 12:01 a.m., January 1, 2019 ~~October 1, 1955~~.

Section 25. Subsection (4) of section 400.9905, Florida
Statutes, is amended to read:

400.9905 Definitions.—

(4) "Clinic" means an entity where health care services are
provided to individuals and which tenders charges for
reimbursement for such services, including a mobile clinic and a
portable equipment provider. As used in this part, the term does
not include and the licensure requirements of this part do not
apply to:

(a) Entities licensed or registered by the state under
chapter 395; entities licensed or registered by the state and
providing only health care services within the scope of services
authorized under their respective licenses under ss. 383.30-
383.335, chapter 390, chapter 394, chapter 397, this chapter

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1219 except part X, chapter 429, chapter 463, chapter 465, chapter
 1220 466, chapter 478, part I of chapter 483, chapter 484, or chapter
 1221 651; end-stage renal disease providers authorized under 42
 1222 C.F.R. part 405, subpart U; providers certified under 42 C.F.R.
 1223 part 485, subpart B or subpart H; or any entity that provides
 1224 neonatal or pediatric hospital-based health care services or
 1225 other health care services by licensed practitioners solely
 1226 within a hospital licensed under chapter 395.

1227 (b) Entities that own, directly or indirectly, entities
 1228 licensed or registered by the state pursuant to chapter 395;
 1229 entities that own, directly or indirectly, entities licensed or
 1230 registered by the state and providing only health care services
 1231 within the scope of services authorized pursuant to their
 1232 respective licenses under ss. 383.30-383.335, chapter 390,
 1233 chapter 394, chapter 397, this chapter except part X, chapter
 1234 429, chapter 463, chapter 465, chapter 466, chapter 478, part I
 1235 of chapter 483, chapter 484, or chapter 651; end-stage renal
 1236 disease providers authorized under 42 C.F.R. part 405, subpart
 1237 U; providers certified under 42 C.F.R. part 485, subpart B or
 1238 subpart H; or any entity that provides neonatal or pediatric
 1239 hospital-based health care services by licensed practitioners
 1240 solely within a hospital licensed under chapter 395.

1241 (c) Entities that are owned, directly or indirectly, by an
 1242 entity licensed or registered by the state pursuant to chapter
 1243 395; entities that are owned, directly or indirectly, by an
 1244 entity licensed or registered by the state and providing only
 1245 health care services within the scope of services authorized
 1246 pursuant to their respective licenses under ss. 383.30-383.335,
 1247 chapter 390, chapter 394, chapter 397, this chapter except part

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1248 X, chapter 429, chapter 463, chapter 465, chapter 466, chapter
 1249 478, part I of chapter 483, chapter 484, or chapter 651; end-
 1250 stage renal disease providers authorized under 42 C.F.R. part
 1251 405, subpart U; providers certified under 42 C.F.R. part 485,
 1252 subpart B or subpart H; or any entity that provides neonatal or
 1253 pediatric hospital-based health care services by licensed
 1254 practitioners solely within a hospital under chapter 395.

1255 (d) Entities that are under common ownership, directly or
 1256 indirectly, with an entity licensed or registered by the state
 1257 pursuant to chapter 395; entities that are under common
 1258 ownership, directly or indirectly, with an entity licensed or
 1259 registered by the state and providing only health care services
 1260 within the scope of services authorized pursuant to their
 1261 respective licenses under ss. 383.30-383.335, chapter 390,
 1262 chapter 394, chapter 397, this chapter except part X, chapter
 1263 429, chapter 463, chapter 465, chapter 466, chapter 478, part I
 1264 of chapter 483, chapter 484, or chapter 651; end-stage renal
 1265 disease providers authorized under 42 C.F.R. part 405, subpart
 1266 U; providers certified under 42 C.F.R. part 485, subpart B or
 1267 subpart H; or any entity that provides neonatal or pediatric
 1268 hospital-based health care services by licensed practitioners
 1269 solely within a hospital licensed under chapter 395.

1270 (e) An entity that is exempt from federal taxation under 26
 1271 U.S.C. s. 501(c)(3) or (4), an employee stock ownership plan
 1272 under 26 U.S.C. s. 409 that has a board of trustees at least
 1273 two-thirds of which are Florida-licensed health care
 1274 practitioners and provides only physical therapy services under
 1275 physician orders, any community college or university clinic,
 1276 and any entity owned or operated by the federal or state

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1277 government, including agencies, subdivisions, or municipalities
1278 thereof.

1279 (f) A sole proprietorship, group practice, partnership, or
1280 corporation that provides health care services by physicians
1281 covered by s. 627.419, that is directly supervised by one or
1282 more of such physicians, and that is wholly owned by one or more
1283 of those physicians or by a physician and the spouse, parent,
1284 child, or sibling of that physician.

1285 (g) A sole proprietorship, group practice, partnership, or
1286 corporation that provides health care services by licensed
1287 health care practitioners under chapter 457, chapter 458,
1288 chapter 459, chapter 460, chapter 461, chapter 462, chapter 463,
1289 chapter 466, chapter 467, chapter 480, chapter 484, chapter 486,
1290 chapter 490, chapter 491, or part I, part III, part X, part
1291 XIII, or part XIV of chapter 468, or s. 464.012, and that is
1292 wholly owned by one or more licensed health care practitioners,
1293 or the licensed health care practitioners set forth in this
1294 paragraph and the spouse, parent, child, or sibling of a
1295 licensed health care practitioner if one of the owners who is a
1296 licensed health care practitioner is supervising the business
1297 activities and is legally responsible for the entity's
1298 compliance with all federal and state laws. However, a health
1299 care practitioner may not supervise services beyond the scope of
1300 the practitioner's license, except that, for the purposes of
1301 this part, a clinic owned by a licensee in s. 456.053(3)(b)
1302 which provides only services authorized pursuant to s.
1303 456.053(3)(b) may be supervised by a licensee specified in s.
1304 456.053(3)(b).

1305 (h) Clinical facilities affiliated with an accredited

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1306 medical school at which training is provided for medical
1307 students, residents, or fellows.

1308 (i) Entities that provide only oncology or radiation
1309 therapy services by physicians licensed under chapter 458 or
1310 chapter 459 or entities that provide oncology or radiation
1311 therapy services by physicians licensed under chapter 458 or
1312 chapter 459 which are owned by a corporation whose shares are
1313 publicly traded on a recognized stock exchange.

1314 (j) Clinical facilities affiliated with a college of
1315 chiropractic accredited by the Council on Chiropractic Education
1316 at which training is provided for chiropractic students.

1317 (k) Entities that provide licensed practitioners to staff
1318 emergency departments or to deliver anesthesia services in
1319 facilities licensed under chapter 395 and that derive at least
1320 90 percent of their gross annual revenues from the provision of
1321 such services. Entities claiming an exemption from licensure
1322 under this paragraph must provide documentation demonstrating
1323 compliance.

1324 (l) Orthotic, prosthetic, pediatric cardiology, or
1325 perinatology clinical facilities or anesthesia clinical
1326 facilities that are not otherwise exempt under paragraph (a) or
1327 paragraph (k) and that are a publicly traded corporation or are
1328 wholly owned, directly or indirectly, by a publicly traded
1329 corporation. As used in this paragraph, a publicly traded
1330 corporation is a corporation that issues securities traded on an
1331 exchange registered with the United States Securities and
1332 Exchange Commission as a national securities exchange.

1333 (m) Entities that are owned by a corporation that has \$250
1334 million or more in total annual sales of health care services

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provided by licensed health care practitioners where one or more of the persons responsible for the operations of the entity is a health care practitioner who is licensed in this state and who is responsible for supervising the business activities of the entity and is responsible for the entity's compliance with state law for purposes of this part.

(n) Entities that employ 50 or more licensed health care practitioners licensed under chapter 458 or chapter 459 where the billing for medical services is under a single tax identification number. The application for exemption under this subsection must include ~~shall contain information that includes:~~ the name, residence, and business address and telephone ~~phone~~ number of the entity that owns the practice; a complete list of the names and contact information of all the officers and directors of the corporation; the name, residence address, business address, and medical license number of each licensed Florida health care practitioner employed by the entity; the corporate tax identification number of the entity seeking an exemption; a listing of health care services to be provided by the entity at the health care clinics owned or operated by the entity; and a certified statement prepared by an independent certified public accountant which states that the entity and the health care clinics owned or operated by the entity have not received payment for health care services under medical payments ~~personal injury protection~~ insurance coverage for the preceding year. If the agency determines that an entity that ~~which~~ is exempt under this subsection has received payments for medical services under medical payments ~~personal injury protection~~ insurance coverage, the agency may deny or revoke the exemption

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from licensure under this subsection.

Notwithstanding this subsection, an entity shall be deemed a clinic and must be licensed under this part in order to receive medical payments coverage reimbursement under s. 627.7265 ~~the~~ ~~Florida Motor Vehicle No-Fault Law, ss. 627.730-627.7405~~, unless exempted under s. 627.7265(6)(h) ~~s. 627.736(5)(h)~~.

Section 26. Subsection (6) of section 400.991, Florida Statutes, is amended to read:

400.991 License requirements; background screenings; prohibitions.-

(6) All agency forms for licensure application or exemption from licensure under this part must contain the following statement:

INSURANCE FRAUD NOTICE.—A person commits a fraudulent insurance act, as defined in s. 626.989, Florida Statutes, if the person ~~who~~ knowingly submits a false, misleading, or fraudulent application or other document when applying for licensure as a health care clinic, seeking an exemption from licensure as a health care clinic, or demonstrating compliance with part X of chapter 400, Florida Statutes, with the intent to use the license, exemption from licensure, or demonstration of compliance to provide services or seek reimbursement under a motor vehicle liability insurance policy's medical payments coverage ~~the Florida Motor Vehicle No-Fault Law~~, ~~commits a fraudulent insurance act, as defined in s. 626.989,~~

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1393 ~~Florida Statutes.~~ A person who presents a claim for
 1394 ~~benefits under medical payments coverage, personal~~
 1395 ~~injury protection benefits~~ knowing that the payee
 1396 knowingly submitted such health care clinic
 1397 application or document, commits insurance fraud, as
 1398 defined in s. 817.234, Florida Statutes.
 1399 Section 27. Paragraph (g) of subsection (1) of section
 1400 400.9935, Florida Statutes, is amended to read:
 1401 400.9935 Clinic responsibilities.—
 1402 (1) Each clinic shall appoint a medical director or clinic
 1403 director who shall agree in writing to accept legal
 1404 responsibility for the following activities on behalf of the
 1405 clinic. The medical director or the clinic director shall:
 1406 (g) Conduct systematic reviews of clinic billings to ensure
 1407 that the billings are not fraudulent or unlawful. Upon discovery
 1408 of an unlawful charge, the medical director or clinic director
 1409 shall take immediate corrective action. If the clinic performs
 1410 only the technical component of magnetic resonance imaging,
 1411 static radiographs, computed tomography, or positron emission
 1412 tomography, and provides the professional interpretation of such
 1413 services, in a fixed facility that is accredited by a national
 1414 accrediting organization that is approved by the Centers for
 1415 Medicare and Medicaid Services for magnetic resonance imaging
 1416 and advanced diagnostic imaging services and if, in the
 1417 preceding quarter, the percentage of scans performed by that
 1418 clinic which was billed to motor vehicle ~~all personal injury~~
 1419 ~~protection~~ insurance carriers under medical payments coverage
 1420 was less than 15 percent, the chief financial officer of the
 1421 clinic may, in a written acknowledgment provided to the agency,

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1422 assume the responsibility for the conduct of the systematic
 1423 reviews of clinic billings to ensure that the billings are not
 1424 fraudulent or unlawful.
 1425 Section 28. Subsection (28) of section 409.901, Florida
 1426 Statutes, is amended to read:
 1427 409.901 Definitions; ss. 409.901-409.920.—As used in ss.
 1428 409.901-409.920, except as otherwise specifically provided, the
 1429 term:
 1430 (28) "Third-party benefit" means any benefit that is or may
 1431 be available at any time through contract, court award,
 1432 judgment, settlement, agreement, or any arrangement between a
 1433 third party and any person or entity, including, without
 1434 limitation, a Medicaid recipient, a provider, another third
 1435 party, an insurer, or the agency, for any Medicaid-covered
 1436 injury, illness, goods, or services, including costs of medical
 1437 services related thereto, for bodily personal injury or for
 1438 death of the recipient, but specifically excluding ~~policies of~~
 1439 life insurance policies on the recipient, unless available under
 1440 terms of the policy to pay medical expenses before ~~prior to~~
 1441 death. The term includes, without limitation, collateral, as
 1442 defined in this section, health insurance, any benefit under a
 1443 health maintenance organization, a preferred provider
 1444 arrangement, a prepaid health clinic, liability insurance,
 1445 uninsured motorist insurance, medical payments coverage ~~or~~
 1446 ~~personal injury protection coverage~~, medical benefits under
 1447 workers' compensation, and any obligation under law or equity to
 1448 provide medical support.
 1449 Section 29. Paragraph (f) of subsection (11) of section
 1450 409.910, Florida Statutes, is amended to read:

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1451 409.910 Responsibility for payments on behalf of Medicaid-
 1452 eligible persons when other parties are liable.-

1453 (11) The agency may, as a matter of right, in order to
 1454 enforce its rights under this section, institute, intervene in,
 1455 or join any legal or administrative proceeding in its own name
 1456 in one or more of the following capacities: individually, as
 1457 subrogee of the recipient, as assignee of the recipient, or as
 1458 lienholder of the collateral.

1459 (f) Notwithstanding any provision in this section to the
 1460 contrary, in the event of an action in tort against a third
 1461 party in which the recipient or his or her legal representative
 1462 is a party which results in a judgment, award, or settlement
 1463 from a third party, the amount recovered shall be distributed as
 1464 follows:

1465 1. After attorney ~~attorney's~~ fees and taxable costs as
 1466 defined by the Florida Rules of Civil Procedure, one-half of the
 1467 remaining recovery shall be paid to the agency up to the total
 1468 amount of medical assistance provided by Medicaid.

1469 2. The remaining amount of the recovery shall be paid to
 1470 the recipient.

1471 3. For purposes of calculating the agency's recovery of
 1472 medical assistance benefits paid, the fee for services of an
 1473 attorney retained by the recipient or his or her legal
 1474 representative shall be calculated at 25 percent of the
 1475 judgment, award, or settlement.

1476 4. Notwithstanding any other provision of this section to
 1477 the contrary, the agency shall be entitled to all medical
 1478 coverage benefits up to the total amount of medical assistance
 1479 provided by Medicaid. For purposes of this paragraph, the term

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1480 "medical coverage" means any benefits under health insurance, a
 1481 health maintenance organization, a preferred provider
 1482 arrangement, or a prepaid health clinic, and the portion of
 1483 benefits designated for medical payments under ~~coverage for~~
 1484 workers' compensation coverage, motor vehicle insurance
 1485 coverage, personal injury protection, and casualty coverage.

1486 Section 30. Paragraph (k) of subsection (2) of section
 1487 456.057, Florida Statutes, is amended to read:

1488 456.057 Ownership and control of patient records; report or
 1489 copies of records to be furnished; disclosure of information.-

1490 (2) As used in this section, the terms "records owner,"
 1491 "health care practitioner," and "health care practitioner's
 1492 employer" do not include any of the following persons or
 1493 entities; furthermore, the following persons or entities are not
 1494 authorized to acquire or own medical records, but are authorized
 1495 under the confidentiality and disclosure requirements of this
 1496 section to maintain those documents required by the part or
 1497 chapter under which they are licensed or regulated:

1498 (k) Persons or entities practicing under s. 627.7265(9) ~~or~~
 1499 ~~627.736(7)~~.

1500 Section 31. Paragraphs (ee) and (ff) of subsection (1) of
 1501 section 456.072, Florida Statutes, are amended to read:

1502 456.072 Grounds for discipline; penalties; enforcement.-

1503 (1) The following acts shall constitute grounds for which
 1504 the disciplinary actions specified in subsection (2) may be
 1505 taken:

1506 (ee) With respect to making a medical payments coverage
 1507 ~~personal injury protection~~ claim under s. 627.7265 ~~as required~~
 1508 ~~by s. 627.736~~, intentionally submitting a claim, statement, or

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1509 bill that has been "upcoded" as defined in that section ~~or~~
1510 ~~627.732~~.

1511 (ff) With respect to making a medical payments coverage
1512 ~~personal injury protection~~ claim as required under s. 627.7265
1513 ~~by s. 627.736~~, intentionally submitting a claim, statement, or
1514 bill for payment of services that were not rendered.

1515 Section 32. Paragraphs (i) and (o) of subsection (1) of
1516 section 626.9541, Florida Statutes, are amended to read:

1517 626.9541 Unfair methods of competition and unfair or
1518 deceptive acts or practices defined.—

1519 (1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE
1520 ACTS.—The following are defined as unfair methods of competition
1521 and unfair or deceptive acts or practices:

1522 (i) *Unfair claim settlement practices*.—

1523 1. Attempting to settle claims on the basis of an
1524 application, when serving as a binder or intended to become a
1525 part of the policy, or any other material document which was
1526 altered without notice to, or knowledge or consent of, the
1527 insured;

1528 2. A material misrepresentation made to an insured or any
1529 other person having an interest in the proceeds payable under
1530 such contract or policy, for the purpose and with the intent of
1531 effecting settlement of such claims, loss, or damage under such
1532 contract or policy on less favorable terms than those provided
1533 in, and contemplated by, such contract or policy; ~~or~~

1534 3. Committing or performing with such frequency as to
1535 indicate a general business practice any of the following:

1536 a. Failing to adopt and implement standards for the proper
1537 investigation of claims;

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1538 b. Misrepresenting pertinent facts or insurance policy
1539 provisions relating to coverages at issue;

1540 c. Failing to acknowledge and act promptly upon
1541 communications with respect to claims;

1542 d. Denying claims without conducting reasonable
1543 investigations based upon available information;

1544 e. Failing to affirm or deny full or partial coverage of
1545 claims, and, as to partial coverage, the dollar amount or extent
1546 of coverage, or failing to provide a written statement that the
1547 claim is being investigated, upon the written request of the
1548 insured within 30 days after proof-of-loss statements have been
1549 completed;

1550 f. Failing to promptly provide a reasonable explanation in
1551 writing to the insured of the basis in the insurance policy, in
1552 relation to the facts or applicable law, for denial of a claim
1553 or for the offer of a compromise settlement;

1554 g. Failing to promptly notify the insured of any additional
1555 information necessary for the processing of a claim; ~~or~~

1556 h. Failing to clearly explain the nature of the requested
1557 information and the reasons why such information is necessary;
1558 or—

1559 i. Failing to pay ~~personal injury protection insurance~~
1560 claims for benefits under medical payments coverage within the
1561 time periods required by s. 627.7265(5)(b) ~~s. 627.736(4)(b)~~. The
1562 office may order the insurer to pay restitution to a
1563 policyholder, medical provider, or other claimant, including
1564 interest at a rate consistent with the amount set forth in s.
1565 55.03(1), for the time period within which an insurer fails to
1566 pay claims as required by law. Restitution is in addition to any

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other penalties allowed by law, including, but not limited to, the suspension of the insurer's certificate of authority.

4. Failing to pay undisputed amounts of partial or full benefits owed under first-party property insurance policies within 90 days after an insurer receives notice of a residential property insurance claim, determines the amounts of partial or full benefits, and agrees to coverage, unless payment of the undisputed benefits is prevented by an act of God, prevented by the impossibility of performance, or due to actions by the insured or claimant that constitute fraud, lack of cooperation, or intentional misrepresentation regarding the claim for which benefits are owed.

(o) *Illegal dealings in premiums; excess or reduced charges for insurance.*

1. Knowingly collecting any sum as a premium or charge for insurance, which is not then provided, or is not in due course to be provided, subject to acceptance of the risk by the insurer, by an insurance policy issued by an insurer as permitted by this code.

2. Knowingly collecting as a premium or charge for insurance any sum in excess of or less than the premium or charge applicable to such insurance, in accordance with the applicable classifications and rates as filed with and approved by the office, and as specified in the policy; or, in cases when classifications, premiums, or rates are not required by this code to be so filed and approved, premiums and charges collected from a Florida resident in excess of or less than those specified in the policy and as fixed by the insurer. Notwithstanding any other provision of law, this provision shall

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not be deemed to prohibit the charging and collection, by surplus lines agents licensed under part VIII of this chapter, of the amount of applicable state and federal taxes, or fees as authorized by s. 626.916(4), in addition to the premium required by the insurer or the charging and collection, by licensed agents, of the exact amount of any discount or other such fee charged by a credit card facility in connection with the use of a credit card, as authorized by subparagraph (q)3., in addition to the premium required by the insurer. This subparagraph shall not be construed to prohibit collection of a premium for a universal life or a variable or indeterminate value insurance policy made in accordance with the terms of the contract.

3.a. Imposing or requesting an additional premium for bodily injury liability coverage, property damage liability coverage ~~a policy of motor vehicle liability, personal injury protection, medical payment coverage, or collision coverage in a motor vehicle liability insurance policy insurance or any combination thereof~~ or refusing to renew the policy solely because the insured was involved in a motor vehicle accident unless the insurer's file contains information from which the insurer in good faith determines that the insured was substantially at fault in the accident.

b. An insurer which imposes and collects such a surcharge or which refuses to renew such policy shall, in conjunction with the notice of premium due or notice of nonrenewal, notify the named insured that he or she is entitled to reimbursement of such amount or renewal of the policy under the conditions listed below and will subsequently reimburse him or her or renew the policy, if the named insured demonstrates that the operator

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involved in the accident was:

(I) Lawfully parked;

(II) Reimbursed by, or on behalf of, a person responsible for the accident or has a judgment against such person;

(III) Struck in the rear by another vehicle headed in the same direction and was not convicted of a moving traffic violation in connection with the accident;

(IV) Hit by a "hit-and-run" driver, if the accident was reported to the proper authorities within 24 hours after discovering the accident;

(V) Not convicted of a moving traffic violation in connection with the accident, but the operator of the other automobile involved in such accident was convicted of a moving traffic violation;

(VI) Finally adjudicated not to be liable by a court of competent jurisdiction;

(VII) In receipt of a traffic citation which was dismissed or nolle prossed; or

(VIII) Not at fault as evidenced by a written statement from the insured establishing facts demonstrating lack of fault which are not rebutted by information in the insurer's file from which the insurer in good faith determines that the insured was substantially at fault.

c. In addition to the other provisions of this subparagraph, an insurer may not fail to renew a policy if the insured has had only one accident in which he or she was at fault within the current 3-year period. However, an insurer may nonrenew a policy for reasons other than accidents in accordance with s. 627.728. This subparagraph does not prohibit nonrenewal

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of a policy under which the insured has had three or more accidents, regardless of fault, during the most recent 3-year period.

4. Imposing or requesting an additional premium for, or refusing to renew, a policy for motor vehicle insurance solely because the insured committed a noncriminal traffic infraction as described in s. 318.14 unless the infraction is:

a. A second infraction committed within an 18-month period, or a third or subsequent infraction committed within a 36-month period.

b. A violation of s. 316.183, when such violation is a result of exceeding the lawful speed limit by more than 15 miles per hour.

5. Upon the request of the insured, the insurer and licensed agent shall supply to the insured the complete proof of fault or other criteria which justifies the additional charge or cancellation.

6. No insurer shall impose or request an additional premium for motor vehicle insurance, cancel or refuse to issue a policy, or refuse to renew a policy because the insured or the applicant is a handicapped or physically disabled person, so long as such handicap or physical disability does not substantially impair such person's mechanically assisted driving ability.

7. No insurer may cancel or otherwise terminate any insurance contract or coverage, or require execution of a consent to rate endorsement, during the stated policy term for the purpose of offering to issue, or issuing, a similar or identical contract or coverage to the same insured with the same exposure at a higher premium rate or continuing an existing

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1683 contract or coverage with the same exposure at an increased
1684 premium.

1685 8. No insurer may issue a nonrenewal notice on any
1686 insurance contract or coverage, or require execution of a
1687 consent to rate endorsement, for the purpose of offering to
1688 issue, or issuing, a similar or identical contract or coverage
1689 to the same insured at a higher premium rate or continuing an
1690 existing contract or coverage at an increased premium without
1691 meeting any applicable notice requirements.

1692 9. No insurer shall, with respect to premiums charged for
1693 motor vehicle insurance, unfairly discriminate solely on the
1694 basis of age, sex, marital status, or scholastic achievement.

1695 10. Imposing or requesting an additional premium for motor
1696 vehicle comprehensive or uninsured motorist coverage solely
1697 because the insured was involved in a motor vehicle accident or
1698 was convicted of a moving traffic violation.

1699 11. No insurer shall cancel or issue a nonrenewal notice on
1700 any insurance policy or contract without complying with any
1701 applicable cancellation or nonrenewal provision required under
1702 the Florida Insurance Code.

1703 12. No insurer shall impose or request an additional
1704 premium, cancel a policy, or issue a nonrenewal notice on any
1705 insurance policy or contract because of any traffic infraction
1706 when adjudication has been withheld and no points have been
1707 assessed pursuant to s. 318.14(9) and (10). However, this
1708 subparagraph does not apply to traffic infractions involving
1709 accidents in which the insurer has incurred a loss due to the
1710 fault of the insured.

1711 Section 33. Paragraph (a) of subsection (1) of section

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1712 626.989, Florida Statutes, is amended to read:

1713 626.989 Investigation by department or Division of
1714 Investigative and Forensic Services; compliance; immunity;
1715 confidential information; reports to division; division
1716 investigator's power of arrest.—

1717 (1) For the purposes of this section:

1718 (a) A person commits a "fraudulent insurance act" if the
1719 person:

1720 1. Knowingly and with intent to defraud presents, causes to
1721 be presented, or prepares with knowledge or belief that it will
1722 be presented, to or by an insurer, self-insurer, self-insurance
1723 fund, servicing corporation, purported insurer, broker, or any
1724 agent thereof, any written statement as part of, or in support
1725 of, an application for the issuance of, or the rating of, any
1726 insurance policy, or a claim for payment or other benefit
1727 pursuant to any insurance policy, which the person knows to
1728 contain materially false information concerning any fact
1729 material thereto or if the person conceals, for the purpose of
1730 misleading another, information concerning any fact material
1731 thereto.

1732 2. Knowingly submits:

1733 a. A false, misleading, or fraudulent application or other
1734 document when applying for licensure as a health care clinic,
1735 seeking an exemption from licensure as a health care clinic, or
1736 demonstrating compliance with part X of chapter 400 with an
1737 intent to use the license, exemption from licensure, or
1738 demonstration of compliance to provide services or seek
1739 reimbursement under a motor vehicle liability insurance policy's
1740 medical payments coverage ~~the Florida Motor Vehicle No-Fault~~

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Law.

b. A claim for payment or other benefit under medical payments coverage pursuant to a personal injury protection insurance policy under the Florida Motor Vehicle No-Fault Law if the person knows that the payee knowingly submitted a false, misleading, or fraudulent application or other document when applying for licensure as a health care clinic, seeking an exemption from licensure as a health care clinic, or demonstrating compliance with part X of chapter 400.

Section 34. Subsection (1) of section 627.06501, Florida Statutes, is amended to read:

627.06501 Insurance discounts for certain persons completing driver improvement course.—

(1) Any rate, rating schedule, or rating manual for the liability, medical payments ~~personal injury protection~~, and collision coverages of a motor vehicle insurance policy filed with the office may provide for an appropriate reduction in premium charges as to such coverages if when the principal operator on the covered vehicle has successfully completed a driver improvement course approved and certified by the Department of Highway Safety and Motor Vehicles which is effective in reducing crash or violation rates, or both, as determined pursuant to s. 318.1451(5). Any discount, not to exceed 10 percent, used by an insurer is presumed to be appropriate unless credible data demonstrates otherwise.

Section 35. Subsection (1) of section 627.0652, Florida Statutes, is amended to read:

627.0652 Insurance discounts for certain persons completing safety course.—

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(1) Any rates, rating schedules, or rating manuals for the liability, medical payments ~~personal injury protection~~, and collision coverages of a motor vehicle insurance policy filed with the office must shall provide for an appropriate reduction in premium charges as to such coverages if when the principal operator on the covered vehicle is an insured 55 years of age or older who has successfully completed a motor vehicle accident prevention course approved by the Department of Highway Safety and Motor Vehicles. Any discount used by an insurer is presumed to be appropriate unless credible data demonstrates otherwise.

Section 36. Subsections (1), (3), and (6) of section 627.0653, Florida Statutes, are amended to read:

627.0653 Insurance discounts for specified motor vehicle equipment.—

(1) Any rates, rating schedules, or rating manuals for the liability, medical payments ~~personal injury protection~~, and collision coverages of a motor vehicle insurance policy filed with the office must shall provide a premium discount if the insured vehicle is equipped with factory-installed, four-wheel antilock brakes.

(3) Any rates, rating schedules, or rating manuals for ~~personal injury protection coverage and~~ medical payments coverage, ~~if offered~~, of a motor vehicle insurance policy filed with the office must shall provide a premium discount if the insured vehicle is equipped with one or more air bags that which are factory installed.

(6) The Office of Insurance Regulation may approve a premium discount to any rates, rating schedules, or rating manuals for the liability, medical payments ~~personal injury~~

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protection, and collision coverages of a motor vehicle insurance policy filed with the office if the insured vehicle is equipped with autonomous driving technology or electronic vehicle collision avoidance technology that is factory installed or a retrofitted system and that complies with National Highway Traffic Safety Administration standards.

Section 37. Section 627.4132, Florida Statutes, is amended to read:

627.4132 Stacking of coverages prohibited.—If an insured or named insured is protected by any type of motor vehicle insurance policy for bodily injury and property damage liability, ~~personal injury protection, or other coverage~~, the policy must ~~shall~~ provide that the insured or named insured is protected only to the extent of the coverage she or he has on the vehicle involved in the accident. However, if none of the insured's or named insured's vehicles are ~~is~~ involved in the accident, coverage is available only to the extent of coverage on any one of the vehicles with applicable coverage. Coverage on any other vehicles may ~~shall~~ not be added to or stacked upon that coverage. This section does not apply:

(1) To uninsured motorist coverage that ~~which~~ is separately governed by s. 627.727.

(2) To reduce the coverage available by reason of insurance policies insuring different named insureds.

Section 38. Section 627.7263, Florida Statutes, is amended to read:

627.7263 Rental and leasing driver's insurance to be primary; exception.—

(1) The valid and collectible liability insurance and

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medical payments coverage ~~or personal injury protection insurance providing coverage~~ for the lessor of a motor vehicle for rent or lease is primary unless otherwise stated in at least 10-point type on the face of the rental or lease agreement. Such insurance is primary for the limits of liability ~~and personal injury protection~~ coverage as required by s. 324.021(7) and medical payments coverage as required under s. 627.7265 ~~ss. 324.021(7) and 627.736~~.

(2) If the lessee's coverage is to be primary, the rental or lease agreement must contain the following language, in at least 10-point type:

"The valid and collectible liability insurance and medical payments coverage ~~personal injury protection insurance~~ of an ~~any~~ authorized rental or leasing driver is primary for the limits of liability ~~and personal injury protection~~ coverage and medical payments coverage required under ss. 324.021(7) and 627.7265 ~~by ss. 324.021(7) and 627.736~~, Florida Statutes."

Section 39. Section 627.7265, Florida Statutes, is created to read:

627.7265 Motor vehicle insurance; medical payments coverage.—

(1) DEFINITIONS.—As used in this section, the term:

(a) "Broker" means a person who does not possess a license under chapter 395, chapter 400, chapter 429, chapter 458, chapter 459, chapter 460, chapter 461, or chapter 641; who charges or receives compensation for any use of medical

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1857 equipment; and who is not the 100 percent owner or the 100
 1858 percent lessee of such equipment. For purposes of this section,
 1859 such owner or lessee may be an individual, a corporation, a
 1860 partnership, or any other entity and any of its 100-percent-
 1861 owned affiliates and subsidiaries. As used in this subsection,
 1862 the term "lessee" means a long-term lessee under a capital or
 1863 operating lease, but does not include a part-time lessee. The
 1864 term "broker" does not include a hospital or physician
 1865 management company whose medical equipment is ancillary to the
 1866 practices managed; a debt collection agency; an entity that has
 1867 contracted with the insurer to obtain a discounted rate for such
 1868 services; a management company that has contracted to provide
 1869 general management services for a licensed physician or health
 1870 care facility and whose compensation is not materially affected
 1871 by the usage or frequency of usage of medical equipment; or an
 1872 entity that is 100-percent-owned by one or more hospitals or
 1873 physicians. The term "broker" does not include a person or
 1874 entity that certifies, upon request of an insurer, that:
 1875 1. It is a clinic licensed under ss. 400.990-400.995;
 1876 2. It is a 100-percent-owner of medical equipment; and
 1877 3. The owner's only part-time lease of medical equipment
 1878 for medical payments coverage patients is on a temporary basis
 1879 not to exceed 30 days in a 12-month period, and such lease is
 1880 solely for the purposes of necessary repair or maintenance of
 1881 the 100-percent-owned medical equipment or pending the arrival
 1882 and installation of the newly purchased or a replacement for the
 1883 100-percent-owned medical equipment, or for patients for whom,
 1884 because of physical size or claustrophobia, it is determined by
 1885 the medical director or clinical director to be medically

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1886 necessary that the test be performed in medical equipment that
 1887 is open-style. The leased medical equipment cannot be used by
 1888 patients who are not patients of the registered clinic for
 1889 medical treatment services. Any person or entity making a false
 1890 certification under this subsection commits insurance fraud as
 1891 described in s. 817.234. However, the 30-day period provided in
 1892 this subparagraph may be extended for an additional 60 days as
 1893 applicable to magnetic resonance imaging equipment, if the owner
 1894 certifies that the extension otherwise complies with this
 1895 subparagraph.

1896 (b) "Entity wholly owned" means a proprietorship, group
 1897 practice, partnership, or corporation that provides health care
 1898 services rendered by licensed health care practitioners and in
 1899 which licensed health care practitioners are the business owners
 1900 of all aspects of the business entity, including, but not
 1901 limited to, being reflected as the business owners on the title
 1902 or lease of the physical facility, filing taxes as the business
 1903 owners, being account holders on the entity's bank account,
 1904 being listed as the principals on all incorporation documents
 1905 required by this state, and having ultimate authority over all
 1906 personnel and compensation decisions relating to the entity.
 1907 However, this term does not include an entity that is wholly
 1908 owned, directly or indirectly, by a hospital licensed under
 1909 chapter 395.

1910 (c) "Hospital" means a facility that, at the time medical
 1911 care was rendered, was licensed under chapter 395.

1912 (d) "Incident," with respect to services considered as
 1913 incident to a physician's professional service for a physician
 1914 licensed under chapter 458, chapter 459, chapter 460, or chapter

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461, if not furnished in a hospital, means such services must be an integral, even if incidental, part of a covered physician's service.

(e) "Knowingly" means a person has actual knowledge of information, acts in deliberate ignorance of the truth or falsity of the information, or acts in reckless disregard of the information. Proof of specific intent to defraud is not required.

(f) "Lawful" or "lawfully" means in substantial compliance with all relevant applicable criminal, civil, and administrative requirements of state and federal law related to the provision of medical care.

(g) "Medical care" means any medical service, medical treatment, medical supply, medical transportation, prescription drug, or emergency services and care as defined in s. 395.002(9).

(h) "Medically necessary" means medical care that a prudent physician or other qualified health care professional would provide for the purpose of preventing, diagnosing, or treating an illness, injury, disease, or symptom in a manner that is:

1. In accordance with generally accepted standards of medical practice;

2. Clinically appropriate in terms of type, frequency, extent, site, and duration; and

3. Not primarily for the convenience of the patient, physician, or other health care provider.

(i) "Motor vehicle" means a self-propelled vehicle with four or more wheels which is designed and required to be licensed for use on the highways of this state, and any trailer

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or semitrailer designed for use with such vehicle. The term does not include:

1. A mobile home; or

2. A motor vehicle that is used in mass transit, other than public school transportation; that is designed to transport more than five passengers exclusive of the operator of the motor vehicle; and that is owned by a municipality, a transit authority, or a political subdivision of the state.

(j) "Named insured" means a person identified in a policy by name as an insured under the policy.

(k) "Newly acquired vehicle" means a motor vehicle owned by a named insured or resident relative of the named insured which was acquired 30 or less days before an accident.

(l) "Properly completed" means providing truthful, substantially complete, and substantially accurate responses as to all material elements to each applicable request for information or for a statement, by a means that may lawfully be provided and that complies with this section or as agreed by the parties.

(m) "Resident relative" means a person related to a named insured by any degree by blood, marriage, or adoption, including a ward or foster child, who usually makes his or her home in the same family unit as the named insured, regardless of whether the resident relative temporarily lives elsewhere.

(n) "Temporary substitute vehicle" means a motor vehicle as defined in s. 320.01(1) which is not owned by the named insured and which is temporarily used with the permission of the owner as a substitute for the owned motor vehicle designated on the policy when the owned vehicle is withdrawn from normal use

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because of breakdown, repair, servicing, loss, or destruction.

(o) "Unbundled" means an action to submit a billing code that is properly billed under one billing code, but that has been separated into two or more billing codes, which would result in payment greater in amount than would be paid using one billing code.

(p) "Upcoded" means an action to submit a billing code that would result in payment greater in amount than would be paid using a billing code that accurately describes the services performed. The term does not include an otherwise lawful bill by a magnetic resonance imaging facility, which globally combines both technical and professional components, if the amount of the global bill is not more than for the components if billed separately; however, payment of such a bill constitutes payment in full for all components of such service.

(2) REQUIRED SECURITY.—

(a) A motor vehicle liability insurance policy that is furnished as proof of financial responsibility pursuant to s. 324.031 must include medical payments coverage as provided in this section. The medical payments coverage must protect the named insured, resident relatives, persons operating the insured motor vehicle, passengers in the insured motor vehicle, and other persons who are struck by the insured motor vehicle and suffer bodily injury while not an occupant of a self-propelled motor vehicle, to a limit of at least \$5,000 per person for medical expense incurred due to bodily injury, sickness, or disease arising out of the ownership, maintenance, or use of a motor vehicle.

(b) An insurer may not offer medical payments coverage with

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a deductible to an applicant or policyholder.

(c) This section may not be construed to limit any other coverage made available by an insurer.

(3) AUTHORIZED EXCLUSIONS.—Notwithstanding any other requirement in this section, an insurer may exclude medical payment benefits:

(a) For injury sustained by the named insured or a resident relative while occupying another motor vehicle owned by the named insured and not insured under the policy, unless such vehicle qualifies as a newly acquired vehicle or temporary substitute vehicle.

(b) For injury sustained by any person operating the insured motor vehicle without the express or implied consent of the insured.

(c) For any person who intentionally causes injury to himself or herself.

(d) For any person injured while committing a felony.

(4) REQUIRED BENEFITS.—

(a) Medical payments coverage must provide reimbursement of medically necessary medical, surgical, X-ray, dental, and rehabilitative services, including prosthetic devices and ambulance, hospital, and nursing services, if the individual receives initial services and care pursuant to subparagraph 1. within 14 days after the motor vehicle accident. Medical payments coverage provides reimbursement only for:

1. Initial services and care that are lawfully provided, supervised, ordered, or prescribed by a physician licensed under chapter 458 or chapter 459, a dentist licensed under chapter 466, or a chiropractic physician licensed under chapter 460; or

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that are provided in a hospital or in a facility that owns, or is wholly owned by, a hospital. Initial services and care may also be provided by a person or entity licensed under part III of chapter 401 which provides emergency transportation and treatment.

2. Upon referral by a provider described in subparagraph 1., followup services and care consistent with the underlying medical diagnosis rendered pursuant to subparagraph 1. which may be provided, supervised, ordered, or prescribed only by a physician licensed under chapter 458 or chapter 459; a chiropractic physician licensed under chapter 460; a dentist licensed under chapter 466; or, to the extent permitted by applicable law and under the supervision of such physician, osteopathic physician, chiropractic physician, or dentist, by a physician assistant licensed under chapter 458 or chapter 459 or an advanced registered nurse practitioner licensed under chapter 464. Followup services and care may also be provided by the following persons or entities:

a. A hospital or ambulatory surgical center licensed under chapter 395.

b. An entity wholly owned by one or more physicians licensed under chapter 458 or chapter 459, chiropractic physicians licensed under chapter 460, or dentists licensed under chapter 466, or by such practitioners and the spouse, parent, child, or sibling of such practitioners.

c. An entity that owns or is wholly owned, directly or indirectly, by a hospital or hospitals.

d. A physical therapist licensed under chapter 486, based upon a referral by a provider described in this subparagraph.

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e. A health care clinic licensed under part X of chapter 400 which is accredited by an accrediting organization whose standards incorporate comparable regulations required by this state, or which:

(I) Has a medical director licensed under chapter 458, chapter 459, or chapter 460;

(II) Has been continuously licensed for more than 3 years or is a publicly traded corporation that issues securities traded on an exchange registered with the United States Securities and Exchange Commission as a national securities exchange; and

(III) Provides at least four of the following medical specialties:

(A) General medicine.

(B) Radiography.

(C) Orthopedic medicine.

(D) Physical medicine.

(E) Physical therapy.

(F) Physical rehabilitation.

(G) Prescribing or dispensing outpatient prescription medication.

(H) Laboratory services.

(b) Medical benefits do not include massage as defined in s. 480.033 or acupuncture as defined in s. 457.102, regardless of the person, entity, or licensee providing massage or acupuncture, and a licensed massage therapist or licensed acupuncturist may not be reimbursed for medical benefits under this section.

(c) The commission shall adopt by rule the form that must

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be used by an insurer and a health care provider specified in sub-subparagraph (a)2.b., sub-subparagraph (a)2.c., or sub-subparagraph (a)2.e. to document that the health care provider meets the criteria of this subsection. Such rule must include a requirement for a sworn statement or affidavit.

(5) PAYMENT OF BENEFITS.—

(a) Benefits due from an insurer under medical payments coverage are primary to any health insurance benefit of a person injured in a motor vehicle accident and apply to any coinsurance or deductible amount required by the injured person's health insurance policy, except that:

1. Benefits received under any workers' compensation law must be credited against medical payments coverage benefits and must be due and payable as loss accrues.

2. When the Agency for Health Care Administration provides, pays, or becomes liable for medical assistance under the Medicaid program related to injury, sickness, disease, or death arising out of the ownership, maintenance, or use of a motor vehicle, medical payments benefits are subject to the provisions of the Medicaid program, and, within 30 days after receiving notice that the Medicaid program paid such benefits, the insurer must repay the full amount of the benefits to the Medicaid program.

(b) Medical payments coverage benefits payable under this section are overdue if they are not paid within 30 days after the insurer is furnished with written notice of the fact and the amount of a covered loss. However:

1. If written notice of the entire claim is not furnished to the insurer, any partial amount supported by written notice

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is overdue if it is not paid within 30 days after the notice is furnished to the insurer. The remainder of the claim, or any part thereof, which is subsequently supported by written notice is overdue if not paid within 30 days after the notice is furnished to the insurer.

2. If an insurer pays only a portion of a claim or rejects a claim, the insurer must provide at the time of the partial payment or rejection an itemized specification of each item that the insurer had reduced, omitted, or declined to pay and any information that the insurer desires the claimant to consider related to the medical necessity of the denied treatment or any information that explains the reasonableness of the reduced charge if this does not limit the introduction of evidence at trial. The insurer shall also include the name and address of the person to whom the claimant should respond and a claim number to be referenced in future correspondence.

3. If an insurer pays only a portion of a claim or rejects a claim due to an alleged error in the claim, the insurer, at the time of the partial payment or rejection, must provide an itemized specification or explanation of benefits not paid or rejected due to the specified error. Upon receiving the specification or explanation, the claimant, at his or her option and without waiving any other legal remedy for payment, has 15 days to submit a revised claim. The submission of a revised claim is considered a timely submission of written notice of a claim.

4. Notwithstanding the fact that written notice has been furnished to the insurer, payment is not overdue if the insurer has reasonable proof that the insurer is not responsible for the

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payment.

5. For the purpose of calculating the extent to which benefits are overdue, payment is treated as being made on the date that a draft, or other valid instrument that is equivalent to payment, was placed in the United States mail in a properly addressed, postpaid envelope or, if not so posted, on the date of delivery.

6. This paragraph does not preclude or limit the ability of the insurer to assert that the claim was unrelated, was not medically necessary, or was unreasonable or that the amount of the charge was in excess of that permitted under, or is in violation of, subsection (6). Such assertion may be made at any time, including after payment of the claim or after the 30-day period for payment specified in this paragraph.

(c) All overdue payments bear simple interest at the rate established under s. 55.03 or the rate established in the insurance contract, whichever is greater, for the quarter in which the payment became overdue, calculated from the date the insurer was furnished with written notice of the amount of covered loss. Interest is due at the time payment of the overdue claim is made.

(d) It is a violation of the Florida Insurance Code for an insurer to fail to timely provide benefits as required by this section with such frequency as to constitute a general business practice.

(e) If two or more insurers are liable for paying medical payments coverage benefits for the same injury to any one person, the maximum payable benefits are as specified in subsection (2), and the insurer paying the benefits is entitled

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to recover from each of the other insurers an equitable pro rata share of the benefits paid and expenses incurred in processing the claim.

(f) Benefits are not due or payable to or on behalf of an insured person if that person has committed, by a material act or omission, insurance fraud relating to medical payments coverage under his or her policy and if the fraud is admitted to in a sworn statement by the insured or established in a court of competent jurisdiction. Any insurance fraud voids all coverage arising from the claim related to such fraud under the medical payments coverage of the insured person who committed the fraud, regardless of whether a portion of the insured person's claim may be legitimate, and any benefits paid before the discovery of the fraud are recoverable by the insurer in their entirety from the person who committed the insurance fraud. The prevailing party is entitled to its costs and attorney fees in any action to enforce the insurer's right of recovery under this paragraph.

(g) If an insurer has a reasonable belief that a fraudulent insurance act, for the purposes of s. 626.989 or s. 817.234, has been committed, the insurer must notify the claimant in writing within 30 days after submission of the claim that the claim is being investigated for suspected fraud. Beginning at the end of the initial 30-day period, the insurer has an additional 60 days to conduct its fraud investigation. No later than 90 days after the submission of the claim, the insurer must deny the claim or pay the claim with simple interest as provided in paragraph (c). Interest is assessed from the day the claim is submitted until the day the claim is paid. All claims denied for suspected fraudulent insurance acts must be reported to the Division of

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2205 Investigative and Forensic Services.

2206 (h) An insurer shall create and maintain for each insured a
 2207 log of medical payments benefits paid by the insurer on behalf
 2208 of the insured. The insurer shall provide to the insured a copy
 2209 of the log within 30 days after receiving a request for the log
 2210 from the insured.

2211 (i) Upon receiving notice of an accident that is
 2212 potentially covered by medical payments benefits, the insurer
 2213 must reserve \$2,500 of medical payments benefits for payment to
 2214 physicians licensed under chapter 458 or chapter 459 or dentists
 2215 licensed under chapter 466 who provide emergency services and
 2216 care, as defined in s. 395.002, or who provide hospital
 2217 inpatient care. The amount required to be held in reserve may be
 2218 used only to pay claims from such physicians or dentists until
 2219 30 days after the date the insurer receives notice of the
 2220 accident. After the 30-day period, any amount of the reserve for
 2221 which the insurer has not received notice of such claims may be
 2222 used by the insurer to pay other claims. The timeframes
 2223 specified in paragraph (b) for payment of medical payments
 2224 benefits are tolled for the period of time an insurer must hold
 2225 payment of a claim that is not from such physician or dentist to
 2226 the extent that the medical payments benefits not held in
 2227 reserve are insufficient to pay the claim. This paragraph does
 2228 not require an insurer to establish a claim reserve for
 2229 insurance accounting purposes.

2230 (6) CHARGES FOR CARE OF INJURED PERSONS.—

2231 (a) A physician, hospital, clinic, or other person or
 2232 institution lawfully providing medical care to an injured person
 2233 for a bodily injury covered by medical payments coverage may

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2234 charge the insurer and injured party only a reasonable amount
 2235 pursuant to this section for the medical care provided, and the
 2236 insurer providing such coverage may pay such charges directly to
 2237 the person or institution lawfully providing such medical care
 2238 if the insured receiving the care, or his or her guardian, has
 2239 countersigned the properly completed invoice, bill, or claim
 2240 form approved by the office upon which the charges are to be
 2241 paid for as having actually been provided, to the best knowledge
 2242 of the insured or his or her guardian. However, such charges may
 2243 not exceed the amount the person or institution customarily
 2244 charges for like medical care. In determining whether a charge
 2245 for a particular service, treatment, supply, or prescription is
 2246 reasonable, consideration may be given to evidence of usual and
 2247 customary charges and payments accepted by the provider involved
 2248 in the dispute; reimbursement levels in the community and
 2249 various federal and state medical fee schedules applicable to
 2250 motor vehicle and other insurance coverages; and other
 2251 information relevant to the reasonableness of the reimbursement
 2252 for the service, treatment, supply, or prescription.

2253 1. The insurer may limit reimbursement to the following
 2254 schedule of maximum charges:

2255 a. For emergency transport and treatment by providers
 2256 licensed under chapter 401, 200 percent of Medicare.

2257 b. For emergency services and care provided by a hospital
 2258 licensed under chapter 395, 75 percent of the hospital's usual
 2259 and customary charges.

2260 c. For emergency services and care, as defined in s.
 2261 395.002, provided in a facility licensed under chapter 395 and
 2262 rendered by a physician or dentist, and related hospital

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2263 inpatient services rendered by a physician or dentist, the usual
 2264 and customary charges in the community.

2265 d. For hospital inpatient services other than emergency
 2266 services and care, 200 percent of the Medicare Part A
 2267 prospective payment applicable to the specific hospital
 2268 providing the inpatient services.

2269 e. For hospital outpatient services other than emergency
 2270 services and care, 200 percent of the Medicare Part A Ambulatory
 2271 Payment Classification for the specific hospital providing the
 2272 outpatient services.

2273 f. For all other medical services, supplies, and care, 200
 2274 percent of the allowable amount under:

2275 (I) The participating physician's fee schedule of Medicare
 2276 Part B, except as provided in sub-sub-paragraphs (II) and
 2277 (III).

2278 (II) Medicare Part B, in the case of services, supplies,
 2279 and care provided by ambulatory surgical centers and clinical
 2280 laboratories.

2281 (III) The Durable Medical Equipment Prosthetics/Orthotics
 2282 and Supplies fee schedule of Medicare Part B, in the case of
 2283 durable medical equipment.

2284 However, if such services, supplies, or care is not reimbursable
 2285 under Medicare Part B as provided in this sub-subparagraph, the
 2286 insurer may limit reimbursement to 80 percent of the maximum
 2287 reimbursable allowance under workers' compensation. Services,
 2288 supplies, or care that is not reimbursable under Medicare or
 2289 workers' compensation is not required to be reimbursed by the
 2290 insurer.

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2292 2. For purposes of subparagraph 1., the applicable fee
 2293 schedule or payment limitation under Medicare is the fee
 2294 schedule or payment limitation in effect on March 1 of the
 2295 service year in which the services, supplies, or care is
 2296 rendered and for the area in which the services, supplies, or
 2297 care is rendered. The applicable fee schedule or payment
 2298 limitation applies to services, supplies, or care rendered
 2299 during that service year notwithstanding any subsequent change
 2300 made to the fee schedule or payment limitation; however, it may
 2301 not be less than the allowable amount under the applicable
 2302 schedule of Medicare Part B for 2007 for medical services,
 2303 supplies, and care subject to Medicare Part B. For purposes of
 2304 this subparagraph, the term "service year" means the period from
 2305 March 1 through the end of February of the following year.

2306 3. For purposes of subparagraph 1., the applicable fee
 2307 schedule or payment limitation under workers' compensation is
 2308 determined under s. 440.13 and rules adopted thereunder which
 2309 are in effect at the time such services, supplies, or care is
 2310 provided.

2311 4. Subparagraph 1. does not authorize the insurer to apply
 2312 any limitation on the number of treatments or other utilization
 2313 limits that apply under Medicare or workers' compensation. An
 2314 insurer that applies the allowable payment limitations of
 2315 subparagraph 1. must reimburse a provider who lawfully provided
 2316 medical care under the scope of his or her license, regardless
 2317 of whether the provider is entitled to reimbursement under
 2318 Medicare or workers' compensation due to restrictions or
 2319 limitations on the types or discipline of health care providers
 2320 who may be reimbursed for particular procedures or procedure

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codes. However, subparagraph 1. does not prohibit an insurer from using the Medicare coding policies and payment methodologies of the federal Centers for Medicare and Medicaid Services, including applicable modifiers, to determine the appropriate amount of reimbursement for medical services, supplies, or care, if the coding policy or payment methodology does not constitute a utilization limit.

5. If an insurer limits payment as authorized by subparagraph 1., the person providing such medical care may not bill or attempt to collect from the insured any amount in excess of such limits, except for amounts that are not covered by the insured's medical payments benefits due to the maximum policy limits.

6. An insurer may limit payment as authorized by this paragraph only if the insurance policy includes a notice at the time of issuance or renewal that the insurer may limit payment pursuant to the schedule of charges specified in this paragraph. A policy form approved by the office satisfies this requirement. If a provider submits a charge for an amount less than the amount allowed under subparagraph 1., the insurer may pay the amount of the charge submitted.

(b)1. An insurer or insured is not required to pay a claim or charges:

a. Made by a broker or by a person making a claim on behalf of a broker;

b. For any service or treatment that was not lawful at the time rendered;

c. To any person who knowingly submits a false or misleading statement relating to the claim or charges;

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d. With respect to a bill or statement that does not substantially meet the applicable requirements of paragraph (d);

e. For medical care billed by a physician and not provided in a hospital unless the care is rendered by the physician or is incident to his or her professional services and is included on the physician's bill, including documentation verifying that the physician is responsible for the medical care that was rendered and billed; or

f. For any treatment or service that is upcoded or that is unbundled when the treatment or services should be bundled. To facilitate prompt payment of lawful services, an insurer may change codes that it determines have been improperly or incorrectly upcoded or unbundled and may make payment based on the changed codes, without affecting the right of the provider to dispute the change by the insurer, if, before doing so, the insurer contacts the health care provider and discusses the reasons for the insurer's change and the health care provider's reason for the coding, or makes a reasonable good faith effort to do so, as documented in the insurer's file.

2. The Department of Health, in consultation with the appropriate professional licensing boards, shall adopt by rule a list of diagnostic tests deemed not to be medically necessary for use in the treatment of persons sustaining bodily injury covered by medical payments benefits under this section. The list must be revised from time to time as determined by the Department of Health in consultation with the respective professional licensing boards. Inclusion of a test on the list must be based on a lack of demonstrated medical value and a level of general acceptance by the relevant provider community

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and may not be dependent on results based entirely upon subjective patient response. Notwithstanding its inclusion on a fee schedule in this subsection, an insurer or insured is not required to pay any charges or reimburse claims for an invalid diagnostic test as determined by the Department of Health.

(c) With respect to any medical care other than medical services billed by a hospital or other provider for emergency services and care, as defined in s. 395.002, or inpatient services rendered at a hospital-owned facility, the statement of charges must be furnished to the insurer by the provider. The statement may not include, and the insurer is not required to pay, charges for treatment or services rendered more than 35 days before the postmark date or electronic transmission date of the statement, except for past due amounts previously billed on a timely basis under this paragraph and except that, if the provider submits to the insurer a notice of initiation of treatment within 21 days after its first examination or treatment of the claimant, the statement may include charges for treatment or services rendered up to, but not more than, 75 days before the postmark date of the statement. The injured party is not liable for, and the provider may not bill the injured party for, charges that are unpaid because of the provider's failure to comply with this paragraph. Any agreement requiring the injured party or insured to pay such charges is unenforceable.

1. If the insured fails to furnish the provider with the correct name and address of the insured's medical payments coverage insurer, the provider has 35 days from the date the provider obtains the correct information to furnish the insurer with a statement of the charges. The insurer is not required to

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pay such charges unless the provider includes with the statement documentary evidence that was provided by the insured during the 35-day period demonstrating that the provider reasonably relied on erroneous information from the insured, and either:

a. A denial letter from the incorrect insurer; or
b. Proof of mailing, which may include an affidavit under penalty of perjury, reflecting timely mailing to the incorrect address or insurer.

2. For emergency services and care rendered in a hospital emergency department or for transport and treatment rendered by an ambulance provider licensed pursuant to part III of chapter 401, the provider is not required to furnish the statement of charges within the timeframes established by this paragraph, and the insurer is not deemed to have been furnished with notice of the amount of covered loss for purposes of paragraph (5) (b) until it receives a statement, or a copy thereof, complying with paragraph (d) which specifically identifies the place of service to be a hospital emergency department or an ambulance in accordance with billing standards recognized by the federal Centers for Medicare and Medicaid Services.

(d) All statements and bills for medical services rendered by a physician, hospital, clinic, or other person or institution must be submitted to the insurer on a properly completed Centers for Medicare and Medicaid Services Form CMS-1500, a UB-92 form, or any other standard form approved by the office and adopted by the commission for purposes of this paragraph. All billings for such services rendered by providers must, to the extent applicable, comply with the Form CMS-1500 instructions, the codes established by the American Medical Association's Current

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2437 Procedural Terminology Editorial Panel, and the Healthcare
 2438 Common Procedure Coding System (HCPCS) and must follow the
 2439 Physicians' Current Procedural Terminology (CPT), the HCPCS in
 2440 effect for the year in which services are rendered, and the
 2441 International Classification of Diseases adopted by the United
 2442 States Department of Health and Human Services in effect for the
 2443 year in which services are rendered. All providers, other than
 2444 hospitals, must include on the applicable claim form the
 2445 professional license number of the provider in the line or space
 2446 provided for "Signature of Physician or Supplier, Including
 2447 Degrees or Credentials." The guidance for determining compliance
 2448 with applicable CPT and HCPCS coding must be provided by the CPT
 2449 or the HCPCS in effect for the year in which services were
 2450 rendered, the Office of the Inspector General, Physicians
 2451 Compliance Guidelines, and other authoritative treatises
 2452 designated by rule by the Agency for Health Care Administration.
 2453 A statement of medical services may not include charges for
 2454 medical services of a person or entity that performed such
 2455 services without possessing the valid licenses required to
 2456 perform such services. For purposes of paragraph (5)(b), an
 2457 insurer is not considered to have been furnished with notice of
 2458 the amount of covered loss or medical bills due unless the
 2459 statements or bills comply with this paragraph and are properly
 2460 completed in their entirety as to all material provisions, with
 2461 all relevant information being provided therein.

2462 (e)1. At the initial treatment or service provided, each
 2463 physician, other licensed professional, clinic, or other medical
 2464 institution providing medical services upon which a claim for
 2465 medical payments coverage benefits is based shall require the

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2466 insured or his or her guardian to execute a disclosure and
 2467 acknowledgment form that reflects at a minimum that:
 2468 a. The insured, or his or her guardian, must countersign
 2469 the form, attesting to the fact that the services set forth
 2470 therein were actually rendered;
 2471 b. The insured, or his or her guardian, has both the right
 2472 and affirmative duty to confirm that the services were actually
 2473 rendered;
 2474 c. The insured, or his or her guardian, was not solicited
 2475 by any person to seek any services from the medical provider;
 2476 d. The physician, other licensed professional, clinic, or
 2477 other medical institution rendering services for which payment
 2478 is being claimed explained the services to the insured or to his
 2479 or her guardian; and
 2480 e. If the insured notifies the insurer in writing of a
 2481 billing error, the insured may be entitled to a certain
 2482 percentage of a reduction in the amounts paid by the insured's
 2483 motor vehicle insurer.
 2484 2. The physician, other licensed professional, clinic, or
 2485 other medical institution rendering services for which payment
 2486 is being claimed has the affirmative duty to explain to the
 2487 insured or to his or her guardian the services rendered, so that
 2488 the insured or his or her guardian countersigns the form with
 2489 informed consent.
 2490 3. A countersignature by the insured or his or her guardian
 2491 is not required for the reading of diagnostic tests or other
 2492 services that are of such a nature that they are not required to
 2493 be performed in the presence of the insured.
 2494 4. The licensed medical professional rendering treatment

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for which payment is being claimed shall sign, by his or her own hand, the form complying with this paragraph.

5. The original completed disclosure and acknowledgment form must be furnished to the insurer pursuant to paragraph (5)(b) and may not be electronically furnished.

6. The disclosure and acknowledgment form is not required for emergency services and care, as defined in s. 395.002, which are billed by a provider and which are rendered in a hospital emergency department, or for transport and treatment rendered by an ambulance provider licensed pursuant to part III of chapter 401.

7. The commission shall adopt by rule a standard disclosure and acknowledgment form to be used to fulfill the requirements of this paragraph.

8. As used in this paragraph, the terms "countersign" and "countersignature" mean a second or verifying signature, as on a previously signed document. The statement "signature on file" or any similar statement does not constitute a countersignature.

9. The requirements of this paragraph apply only with respect to the initial treatment of or service rendered to the insured by a provider. For subsequent treatments or service, the provider must maintain a patient log signed by the patient, in chronological order by date of service, which is consistent with the services being rendered to the patient as claimed. The requirement to maintain a patient log signed by the patient may be met by a hospital that maintains medical records as required by s. 395.3025 and applicable rules and that makes such records available to the insurer upon request.

(f) Upon written notification by any person, an insurer

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shall investigate any claim of improper billing by a physician or other medical provider. The insurer shall determine if the insured was properly billed for only the medical care the insured actually received. If the insurer determines that the insured has been improperly billed, the insurer must notify the insured, the person making the written notification, and the provider of its findings and reduce the amount of payment to the provider by the amount determined to be improperly billed. If a reduction is made due to a written notification by any person, the insurer must pay to the person 20 percent of the amount of the reduction, up to \$500. If the provider is arrested due to the improper billing, the insurer must pay to the person 40 percent of the amount of the reduction, up to \$500.

(g) An insurer may not systematically downcode with the intent to deny reimbursement otherwise due. Such action constitutes a material misrepresentation under s. 626.9541(1)(i) 2.

(h) An entity excluded from the definition of the term "clinic" in s. 400.9905 must be deemed a clinic and must be licensed under part X of chapter 400 in order to receive reimbursement under medical payments coverage. However, this licensing requirement does not apply to:

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

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

3. An entity wholly owned by a chiropractic physician

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2553 licensed under chapter 460, or by the chiropractic physician and
 2554 the spouse, parent, child, or sibling of the chiropractic
 2555 physician;

2556 4. A hospital or ambulatory surgical center licensed under
 2557 chapter 395;

2558 5. An entity that wholly owns or that is wholly owned,
 2559 directly or indirectly, by a hospital or hospitals licensed
 2560 under chapter 395;

2561 6. An entity that is a clinical facility affiliated with an
 2562 accredited medical school at which training is provided for
 2563 medical students, residents, or fellows;

2564 7. An entity that is certified under 42 C.F.R. part 485,
 2565 subpart H; or

2566 8. An entity that is owned by a publicly traded
 2567 corporation, either directly or indirectly through its
 2568 subsidiaries, which has \$250 million or more in total annual
 2569 sales of health care services provided by licensed health care
 2570 practitioners, if one or more of the persons responsible for the
 2571 operations of the entity are health care practitioners who are
 2572 licensed in this state and who are responsible for supervising
 2573 the business activities of the entity and the entity's
 2574 compliance with state law for purposes of this section.

2575 (7) NOTIFICATION TO INSURED OF RIGHTS.-

2576 (a) The commission shall adopt by rule a form for
 2577 notification to an insured of his or her right to receive
 2578 medical payments coverage. Such notice must include:

2579 1. A description of the benefits provided by medical
 2580 payments coverage, when payments are due, how benefits are
 2581 coordinated with other insurance benefits that the insured may

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2582 have, penalties and interest that may be imposed on insurers for
 2583 failure to make timely payments of benefits, and rights of
 2584 parties regarding disputes as to benefits.

2585 2. The following statement in at least 12-point type:

2586
 2587 BILLING REQUIREMENTS.-Florida law provides that with
 2588 respect to any treatment or services, other than
 2589 certain hospital and emergency services, the statement
 2590 of charges furnished to the insurer by the provider
 2591 may not include, and the insurer and the injured party
 2592 are not required to pay, charges for treatment or
 2593 services rendered more than 35 days before the
 2594 postmark date of the statement, except for past due
 2595 amounts previously billed on a timely basis and except
 2596 that, if the provider submits to the insurer a notice
 2597 of initiation of treatment within 21 days after its
 2598 first examination or treatment of the claimant, the
 2599 statement may include charges for treatment or
 2600 services rendered up to, but not more than, 75 days
 2601 before the postmark date of the statement.

2602
 2603 3. An advisory informing the insured that, pursuant to s.
 2604 626.9892, the department may pay rewards of up to \$25,000 to
 2605 persons providing information leading to the arrest and
 2606 conviction of persons committing crimes investigated by the
 2607 Division of Investigative and Forensic Services arising from
 2608 violations of s. 440.105, s. 624.15, s. 626.9541, s. 626.989, or
 2609 s. 817.234.

2610 4. An advisory informing the insured that, pursuant to sub-

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2611 subparagraph (6)(e)1.e., if the insured notifies the insurer of
 2612 a billing error, the insured may be entitled to a certain
 2613 percentage of a reduction in the amount paid by the insured's
 2614 motor vehicle insurer.

2615 5. A notice that solicitation of a person injured in a
 2616 motor vehicle crash for purposes of filing medical payments
 2617 coverage or tort claims could be a violation of s. 817.234, s.
 2618 817.505, or the rules regulating The Florida Bar and should be
 2619 immediately reported to the Division of Investigative and
 2620 Forensic Services if such conduct has taken place.

2621 (b) An insurer issuing a policy in this state providing
 2622 medical payments coverage benefits must mail or deliver the
 2623 notice as specified in paragraph (a) to the named insured within
 2624 21 days after receiving from the insured notice of an automobile
 2625 accident or claim involving personal injury to an insured who is
 2626 covered under the policy. The office may allow an insurer
 2627 additional time to provide the notice specified in paragraph
 2628 (a), not to exceed 30 days, upon a showing by the insurer that
 2629 an emergency justifies an extension of time.

2630 (c) The notice required by this subsection does not alter
 2631 or modify the terms of the insurance contract or other
 2632 requirements of this section.

2633 (8) DISCOVERY OF FACTS ABOUT AN INJURED PERSON; DISPUTES.—

2634 (a) A person making a claim under medical payments coverage
 2635 must, if requested by the insurer against whom the claim has
 2636 been made, furnish a written report of the history, condition,
 2637 treatment, dates, and costs of treatment of the injured person
 2638 and why the items identified by the insurer were reasonable in
 2639 amount and medically necessary, together with a sworn statement

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2640 that the medical care rendered was reasonable and necessary with
 2641 respect to the bodily injury sustained and identifying which
 2642 portion of the expenses for the medical care was incurred as a
 2643 result of the bodily injury. If requested by the insurer, the
 2644 person making the claim under medical payments coverage must
 2645 also produce, and allow the inspection and copying of, his, her,
 2646 or its records regarding the history, condition, treatment,
 2647 dates, and costs of treatment of the injured person. The sworn
 2648 statement must read as follows: "Under penalty of perjury, I
 2649 declare that I have read the foregoing, and the facts alleged
 2650 are true, to the best of my knowledge and belief." A cause of
 2651 action for violation of the physician-patient privilege or
 2652 invasion of the right of privacy may not be brought against any
 2653 physician, hospital, clinic, or other medical institution
 2654 complying with this section. The person requesting such records
 2655 and sworn statement shall pay all reasonable costs connected
 2656 therewith. If an insurer makes a written request for
 2657 documentation or information under this paragraph within 30 days
 2658 after having received notice of the amount of a covered loss
 2659 under paragraph (5)(b), the amount or the partial amount that is
 2660 the subject of the insurer's inquiry is overdue if the insurer
 2661 does not pay in accordance with paragraph (5)(b) or within 10
 2662 days after the insurer's receipt of the requested documentation
 2663 or information, whichever occurs later. As used in this
 2664 paragraph, the term "receipt" includes, but is not limited to,
 2665 inspection and copying pursuant to this paragraph. An insurer
 2666 that requests documentation or information pertaining to
 2667 reasonableness of charges or medical necessity under this
 2668 paragraph without a reasonable basis for such requests as a

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general business practice is engaging in an unfair trade practice under the Florida Insurance Code.

(b) In the event of a dispute regarding an insurer's right to discovery of facts under this section, the insurer may petition a court of competent jurisdiction to enter an order permitting such discovery. The order may be made only on motion for good cause shown and upon notice to all persons having an interest and must specify the time, place, manner, conditions, and scope of the discovery. In order to protect against annoyance, embarrassment, or oppression, as justice requires, the court may enter an order refusing discovery or specifying conditions of discovery and may order payment of costs and expenses of the proceeding, including reasonable fees for the appearance of attorneys at the proceedings, as justice requires.

(c) Upon request, the injured person must be furnished a copy of all information obtained by the insurer under this section, and pay a reasonable charge, if required by the insurer.

(d) An insured may not unreasonably withhold notice to an insurer of the existence of a claim.

(e) In a dispute between the insured and the insurer, or between an assignee of the insured's rights and the insurer, upon request, the insurer must notify the insured or the assignee that the policy limits under this section have been reached within 15 days after the limits have been reached.

(f) In any civil action to recover medical payments benefits brought against an insurer by a claimant pursuant to this section, all claims related to the same health care provider for the same injured person must be brought in one

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action, unless good cause is shown why the claims should be brought separately.

(g) An insured seeking medical payments coverage benefits, including an omnibus insured, must comply with the terms of the policy, which include, but are not limited to, submitting to an examination under oath. The scope of questioning during the examination under oath is limited to relevant information or information that could reasonably be expected to lead to relevant information. Compliance with this paragraph is a condition precedent to receiving benefits. An insurer that, as a general business practice as determined by the office, requests an examination under oath of an insured or an omnibus insured without a reasonable basis is subject to s. 626.9541.

(9) MENTAL AND PHYSICAL EXAMINATION OF INJURED PERSON; REPORTS.—

(a) Whenever the mental or physical condition of an injured person covered by medical payments benefits is material to any claim that has been or may be made for past or future medical payments coverage benefits, such person must, upon the request of an insurer, submit to a mental or physical examination by a physician or physicians. The costs of any examination requested by an insurer must be borne entirely by the insurer. Such examination must be conducted within the municipality where the insured is receiving treatment; in a location reasonably accessible to the insured, which, for purposes of this paragraph, means any location within the municipality in which the insured resides; or any location within 10 miles by road of the insured's residence, if such location is within the county in which the insured resides. If the examination is to be

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2727 conducted in a location reasonably accessible to the insured and
 2728 if there is no qualified physician to conduct the examination in
 2729 a location reasonably accessible to the insured, such
 2730 examination must be conducted in an area of the closest
 2731 proximity to the insured's residence. Insurers may include
 2732 reasonable provisions in medical payments coverage insurance
 2733 policies for mental and physical examination of those claiming
 2734 medical payments coverage benefits. An insurer may not withdraw
 2735 payment of a treating physician without the consent of the
 2736 injured person covered by medical payments benefits unless the
 2737 insurer first obtains a valid report by a Florida physician
 2738 licensed under the same chapter as the treating physician whose
 2739 treatment authorization is sought to be withdrawn, stating that
 2740 treatment was not reasonable, related, or necessary. For
 2741 purposes of this paragraph, a valid report is one that is
 2742 prepared and signed by the physician examining the injured
 2743 person or reviewing the treatment records of the injured person;
 2744 that is factually supported by the examination and treatment
 2745 records, if reviewed; and that has not been modified by anyone
 2746 other than the physician. The physician preparing the report
 2747 must be in active practice unless the physician is physically
 2748 disabled. As used in this paragraph, the term "active practice"
 2749 means that during the 3 years immediately preceding the date of
 2750 the physical examination or review of the treatment records, the
 2751 physician must have devoted professional time to the active
 2752 clinical practice of evaluation, diagnosis, or treatment of
 2753 medical conditions, or to the instruction of students in an
 2754 accredited health professional school or accredited residency
 2755 program, or a clinical research program that is affiliated with

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2756 an accredited health professional school, a teaching hospital,
 2757 or an accredited residency program. The physician preparing a
 2758 report at the request of an insurer and the physicians rendering
 2759 expert opinions on behalf of persons claiming medical payments
 2760 coverage benefits, or on behalf of an insured through an
 2761 attorney or another entity, shall maintain, for at least 3
 2762 years, copies of all examination reports as medical records and
 2763 shall maintain, for at least 3 years, records of all payments
 2764 for the examinations and reports. An insurer or any person
 2765 acting at the direction of or on behalf of an insurer may not
 2766 materially change an opinion in a report prepared under this
 2767 paragraph or direct the physician preparing the report to change
 2768 such opinion. The denial of a payment as the result of such a
 2769 changed opinion constitutes a material misrepresentation under
 2770 s. 626.9541(1)(i)2.; however, this provision does not preclude
 2771 the insurer from calling to the attention of the physician
 2772 errors of fact in the report based upon information in the claim
 2773 file.

2774 (b) If requested by the person examined, a party causing an
 2775 examination to be made shall deliver to him or her a copy of
 2776 every written report concerning the examination rendered by an
 2777 examining physician, at least one of which reports must set out
 2778 the examining physician's findings and conclusions in detail.
 2779 After such request and delivery, the party causing the
 2780 examination to be made is entitled, upon request, to receive
 2781 from the person examined every written report available to him
 2782 or her or his or her representative concerning any examination,
 2783 previously or thereafter made, of the same mental or physical
 2784 condition. By requesting and obtaining a report of the

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2785 examination so ordered, or by taking the deposition of the
 2786 examiner, the person examined waives any privilege he or she may
 2787 have, in relation to the claim for benefits, regarding the
 2788 testimony of every other person who has examined, or may
 2789 thereafter examine, him or her in respect to the same mental or
 2790 physical condition. If a person unreasonably refuses to submit
 2791 to, or fails to appear at, an examination, the medical payments
 2792 benefits carrier is no longer liable for subsequent medical
 2793 payments benefits. An insured's refusal to submit to or failure
 2794 to appear at two examinations raises a rebuttable presumption
 2795 that the insured's refusal or failure was unreasonable.

2796 (10) APPLICABILITY OF PROVISION REGULATING ATTORNEY FEES.—
 2797 With respect to any dispute under this section between the
 2798 insured and the insurer or between an assignee of an insured's
 2799 rights and the insurer, ss. 627.428 and 768.79 apply except as
 2800 provided in subsections (11) and (12) and except that any
 2801 attorney fees recovered must:

2802 (a) Comply with prevailing professional standards;
 2803 (b) Not overstate or inflate the number of hours reasonably
 2804 necessary for a case of comparable skill or complexity; and
 2805 (c) Represent legal services that are reasonable and
 2806 necessary to achieve the result obtained.

2807
 2808 Upon request by either party, a judge must make written
 2809 findings, substantiated by evidence presented at trial or any
 2810 hearings associated therewith, that any award of attorney fees
 2811 complies with this subsection. Notwithstanding s. 627.428,
 2812 attorney fees recovered under this section must be calculated
 2813 without regard to a contingency risk multiplier.

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2814 (11) DEMAND LETTER.—

2815 (a) As a condition precedent to filing any action for
 2816 benefits under this section, written notice of an intent to
 2817 initiate litigation must be provided to the insurer. Such notice
 2818 may not be sent until the claim is overdue, including any
 2819 additional time the insurer has to pay the claim pursuant to
 2820 paragraph (5) (b).

2821 (b) The notice must state with specificity:

2822 1. "This is a demand letter under s. 627.7265, Florida
 2823 Statutes."

2824 2. The name of the insured for whom such benefits are being
 2825 sought, including a copy of the assignment giving rights to the
 2826 claimant if the claimant is not the insured.

2827 3. The claim number or policy number upon which the claim
 2828 was originally submitted to the insurer.

2829 4. To the extent applicable, the name of any medical
 2830 provider who rendered to an insured the treatment, services,
 2831 accommodations, or supplies that form the basis of such claim;
 2832 and an itemized statement specifying each exact amount, the date
 2833 of treatment, service, or accommodation, and the type of benefit
 2834 claimed to be due. To the extent that the demand involves an
 2835 insurer's withdrawal of payment for future treatment not yet
 2836 rendered, the claimant shall attach a copy of the insurer's
 2837 notice withdrawing such payment and an itemized statement of the
 2838 type, frequency, and duration of future treatment claimed to be
 2839 reasonable and medically necessary.

2840 (c) Each notice required by this subsection must be
 2841 delivered to the insurer by certified or registered mail, return
 2842 receipt requested. Such postal costs must be reimbursed by the

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insurer, if requested by the claimant in the notice, when the insurer pays the claim. Such notice must be sent to the person and address specified by the insurer for the purposes of receiving notices under this subsection. Each licensed insurer, whether domestic, foreign, or alien, shall file with the office the name and address of the designated person to whom notices must be sent, which the office shall make available on its website. The person whose name and address is on file with the office pursuant to s. 624.422 is deemed the authorized representative to accept notice pursuant to this subsection if no other designation has been made.

(d) If, within 30 days after receipt of notice by the insurer, the overdue claim specified in the notice is paid by the insurer together with applicable interest and a penalty of 10 percent of the overdue amount paid by the insurer, subject to a maximum penalty of \$250, an action may not be brought against the insurer. If the demand involves an insurer's withdrawal of payment for future treatment not yet rendered, an action may not be brought against the insurer if, within 30 days after its receipt of the notice, the insurer mails to the person filing the notice a written statement of the insurer's agreement to pay for such treatment in accordance with the notice and to pay a penalty of 10 percent, subject to a maximum penalty of \$250, when it pays for such future treatment in accordance with the requirements of this section. To the extent the insurer determines not to pay any amount demanded, the penalty is not payable in any subsequent action. For purposes of this subsection, payment or the insurer's agreement must be treated as being made on the date a draft or other valid instrument that

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is equivalent to payment, or the insurer's written statement of agreement, is placed in the United States mail in a properly addressed, postpaid envelope or, if not so posted, on the date of delivery. The insurer is not obligated to pay any attorney fees if the insurer pays the claim or mails its agreement to pay for future treatment within the time prescribed by this subsection.

(e) The applicable statute of limitation for an action under this section is tolled for 30 business days by the mailing of the notice required by this subsection.

(12) ALL CLAIMS BROUGHT IN A SINGLE ACTION.—In any civil action to recover medical payments coverage benefits brought by a claimant pursuant to this section against an insurer, all claims related to the same health care provider for the same injured person must be brought in one action unless good cause is shown why such claims should be brought separately. If the court determines that a civil action is filed for a claim that should have been brought in a prior civil action, the court may not award attorney fees to the claimant.

(13) FAILURE TO PAY VALID CLAIMS; UNFAIR OR DECEPTIVE PRACTICE.—

(a) An insurer is engaging in a prohibited unfair or deceptive practice that is subject to the penalties provided in s. 626.9521, and the office has the powers and duties specified in ss. 626.9561-626.9601, if the insurer, with such frequency so as to indicate a general business practice, fails to pay valid claims for medical payments benefits or fails to pay valid claims until receipt of the notice required under subsection (11).

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2901 (b) Notwithstanding s. 501.212, the Department of Legal
 2902 Affairs may investigate and initiate actions for a violation of
 2903 this subsection, including, but not limited to, the powers and
 2904 duties specified in part II of chapter 501.

2905 (14) CIVIL ACTION FOR INSURANCE FRAUD.—An insurer has a
 2906 cause of action against any person convicted of, or who,
 2907 regardless of adjudication of guilt, pleads guilty or nolo
 2908 contendere to, insurance fraud under s. 817.234, patient
 2909 brokering under s. 817.505, or kickbacks under s. 456.054,
 2910 associated with a claim for medical payments coverage benefits
 2911 in accordance with this section. An insurer prevailing in an
 2912 action brought under this subsection may recover compensatory,
 2913 consequential, and punitive damages subject to the requirements
 2914 and limitations of part II of chapter 768 and attorney fees and
 2915 costs incurred in litigating a cause of action against any
 2916 person convicted of, or who, regardless of adjudication of
 2917 guilt, pleads guilty or nolo contendere to, insurance fraud
 2918 under s. 817.234, patient brokering under s. 817.505, or
 2919 kickbacks under s. 456.054, associated with a claim for medical
 2920 payments coverage benefits in accordance with this section.

2921 (15) FRAUD ADVISORY NOTICE.—Upon receiving notice of a
 2922 claim under this section, an insurer shall provide a notice to
 2923 the insured or to a person for whom a claim for reimbursement
 2924 for diagnosis or treatment of injuries has been filed, advising
 2925 that:

2926 (a) Pursuant to s. 626.9892, the department may pay rewards
 2927 of up to \$25,000 to persons who provide information leading to
 2928 the arrest and conviction of persons committing crimes
 2929 investigated by the Division of Investigative and Forensic

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2930 Services arising from violations of s. 440.105, s. 624.15, s.
 2931 626.9541, s. 626.989, or s. 817.234.

2932 (b) Solicitation of a person injured in a motor vehicle
 2933 crash for purposes of filing medical payments coverage or tort
 2934 claims could be a violation of s. 817.234, s. 817.505, or the
 2935 rules regulating The Florida Bar and should be immediately
 2936 reported to the Division of Investigative and Forensic Services
 2937 if such conduct has taken place.

2938 (16) NONREIMBURSABLE CLAIMS.—Claims generated as a result
 2939 of activities that are unlawful pursuant to s. 817.505 are not
 2940 reimbursable.

2941 (17) SECURE ELECTRONIC DATA TRANSFER.—Except as otherwise
 2942 provided in subparagraph (6)(e)5., a notice, documentation,
 2943 transmission, or communication of any kind required or
 2944 authorized under this section may be transmitted electronically
 2945 if it is transmitted by secure electronic data transfer that is
 2946 consistent with state and federal privacy and security laws.

2947 (18) INSURER'S RIGHT OF SUBROGATION.—

2948 (a) A medical payments insurer may include a provision in
 2949 its policy which permits subrogation for medical payments
 2950 benefits it paid if the expenses giving rise to the payments
 2951 were caused by the wrongful act or omission of another. However,
 2952 this subrogation right is inferior to the rights of the injured
 2953 insured, and is available only after all the insured's damages
 2954 have been recovered and the insured has been made whole. An
 2955 insured who obtains a recovery from a third party of the full
 2956 amount of the damages sustained and delivers a release or
 2957 satisfaction that impairs a medical payments insurer's
 2958 subrogation right is liable to the insurer for repayment of

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medical payments benefits, less any expenses of acquiring the recovery, including a prorated share of attorney fees and costs, and shall hold that net recovery in trust to be delivered to the medical payments insurer.

(b) The insurer does not have a right of subrogation for medical payments coverage benefits paid for the insured if the tortfeasor who caused the motor vehicle accident is also an insured under the policy that paid the medical payments benefits.

Section 40. Subsections (1) and (7) of section 627.727, Florida Statutes, are amended to read:

627.727 Motor vehicle insurance; uninsured and underinsured vehicle coverage; insolvent insurer protection.—

(1) A ~~No~~ motor vehicle liability insurance policy that ~~which~~ provides bodily injury liability coverage may not ~~shall~~ be delivered or issued for delivery in this state with respect to any specifically insured or identified motor vehicle registered or principally garaged in this state, unless uninsured motor vehicle coverage is provided therein or supplemental thereto for the protection of persons insured thereunder who are legally entitled to recover damages from owners or operators of uninsured motor vehicles because of bodily injury, sickness, or disease, including death, resulting therefrom. However, the coverage required under this section is not applicable if when, or to the extent that, an insured named in the policy makes a written rejection of the coverage on behalf of all insureds under the policy. If When a motor vehicle is leased for ~~a period~~ of 1 year or longer and the lessor of such vehicle, by the terms of the lease contract, provides liability coverage on the leased

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vehicle, the lessee of such vehicle has ~~shall have~~ the sole privilege to reject uninsured motorist coverage or to select lower limits than the bodily injury liability limits, regardless of whether the lessor is qualified as a self-insurer pursuant to s. 324.171. Unless an insured, or lessee having the privilege of rejecting uninsured motorist coverage, requests such coverage or requests higher uninsured motorist limits in writing, the coverage or such higher uninsured motorist limits need not be provided in or supplemental to any other policy which renews, extends, changes, supersedes, or replaces an existing policy with the same bodily injury liability limits when an insured or lessee had rejected the coverage. When an insured or lessee has initially selected limits of uninsured motorist coverage lower than her or his bodily injury liability limits, higher limits of uninsured motorist coverage need not be provided in or supplemental to any other policy that ~~which~~ renews, extends, changes, supersedes, or replaces an existing policy with the same bodily injury liability limits unless an insured requests higher uninsured motorist coverage in writing. The rejection or selection of lower limits must ~~shall~~ be made on a form approved by the office. The form must ~~shall~~ fully advise the applicant of the nature of the coverage and must ~~shall~~ state that the coverage is equal to bodily injury liability limits unless lower limits are requested or the coverage is rejected. The heading of the form must ~~shall~~ be in 12-point bold type and must ~~shall~~ state: "You are electing not to purchase certain valuable coverage that ~~which~~ protects you and your family or you are purchasing uninsured motorist limits less than your bodily injury liability limits when you sign this form. Please read

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carefully." If this form is signed by a named insured, it will be conclusively presumed that there was an informed, knowing rejection of coverage or election of lower limits on behalf of all insureds. The insurer shall notify the named insured at least annually of her or his options as to the coverage required by this section. Such notice must ~~shall~~ be part of, and attached to, the notice of premium, must ~~shall~~ provide for a means to allow the insured to request such coverage, and must ~~shall~~ be given in a manner approved by the office. Receipt of this notice does not constitute an affirmative waiver of the insured's right to uninsured motorist coverage if ~~where~~ the insured has not signed a selection or rejection form. The coverage described under this section must ~~shall~~ be over and above, but may ~~shall~~ not duplicate, the benefits available to an insured under any workers' compensation law, ~~personal injury protection benefits,~~ disability benefits law, or similar law; under any automobile medical payments ~~expense~~ coverage; under any motor vehicle liability insurance coverage; or from the owner or operator of the uninsured motor vehicle or any other person or organization jointly or severally liable together with such owner or operator for the accident; and such coverage must ~~shall~~ cover the difference, if any, between the sum of such benefits and the damages sustained, up to the maximum amount of such coverage provided under this section. The amount of coverage available under this section may ~~shall~~ not be reduced by a setoff against any coverage, including liability insurance. Such coverage does ~~shall~~ not inure directly or indirectly to the benefit of any workers' compensation or disability benefits carrier or any person or organization qualifying as a self-insurer under any

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workers' compensation or disability benefits law or similar law.

(7) The legal liability of an uninsured motorist coverage insurer ~~includes does not include~~ damages in tort for pain, suffering, disability or physical impairment, disfigurement, mental anguish, ~~and~~ inconvenience, and the loss of capacity for the enjoyment of life experienced in the past and to be experienced in the future unless the injury or disease is described in one or more of paragraphs (a)-(d) of s. 627.737(2).

Section 41. Subsection (1) and paragraphs (a) and (b) of subsection (2) of section 627.7275, Florida Statutes, are amended to read:

627.7275 Motor vehicle liability.—

(1) A motor vehicle insurance policy ~~providing personal injury protection as set forth in s. 627.736 may not be~~ delivered or issued for delivery in this state for a with respect to any specifically insured or identified motor vehicle registered or principally garaged in this state must provide bodily injury liability coverage and unless the policy also provides coverage for property damage liability coverage as required under by s. 324.022, and medical payments coverage as required under s. 627.7265.

(2) (a) Insurers writing motor vehicle insurance in this state shall make available, subject to the insurers' usual underwriting restrictions:

1. Coverage under policies as described in subsection (1) to an applicant for private passenger motor vehicle insurance coverage who is seeking the coverage in order to reinstate the applicant's driving privileges in this state if the driving privileges were revoked or suspended pursuant to s. 316.646 or

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s. 324.0221 due to the failure of the applicant to maintain required security.

2. Coverage under policies as described in subsection (1), which includes bodily injury ~~also provides~~ liability coverage and property damage liability coverage for bodily injury, death, and property damage arising out of the ownership, maintenance, or use of the motor vehicle in an amount not less than the minimum limits required under described in s. 324.021(7) or s. 324.023 and which conforms to the requirements of s. 324.151, to an applicant for private passenger motor vehicle insurance coverage who is seeking the coverage in order to reinstate the applicant's driving privileges in this state after such privileges were revoked or suspended under s. 316.193 or s. 322.26(2) for driving under the influence.

(b) The policies described in paragraph (a) must ~~shall~~ be issued for at least 6 months and, as to the minimum coverages required under this section, may not be canceled by the insured for any reason or by the insurer after 60 days, during which period the insurer is completing the underwriting of the policy. After the insurer has completed underwriting the policy, the insurer shall notify the Department of Highway Safety and Motor Vehicles that the policy is in full force and effect and is not cancelable for the remainder of the policy period. A premium must ~~shall~~ be collected and the coverage is in effect for the 60-day period during which the insurer is completing the underwriting of the policy, whether or not the person's driver license, motor vehicle tag, and motor vehicle registration are in effect. Once the noncancelable provisions of the policy become effective, the bodily injury liability and property

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damage liability coverages ~~for bodily injury, property damage, and personal injury protection~~ may not be reduced below the minimum limits required under s. 324.021 or s. 324.023 during the policy period, and the medical payments coverage may not be reduced below the minimum limit required under s. 627.7265.

Section 42. Paragraph (a) of subsection (1) of section 627.728, Florida Statutes, is amended to read:

627.728 Cancellations; nonrenewals.—

(1) As used in this section, the term:

(a) "Policy" means the bodily injury and property damage liability, ~~personal injury protection~~, medical payments, comprehensive, collision, and uninsured motorist coverage portions of a policy of motor vehicle insurance delivered or issued for delivery in this state:

1. Insuring a natural person as named insured or one or more related individuals who are residents ~~resident~~ of the same household; and

2. Insuring only a motor vehicle of the private passenger type or station wagon type which is not used as a public or livery conveyance for passengers or rented to others; or insuring any other four-wheel motor vehicle having a load capacity of 1,500 pounds or less which is not used in the occupation, profession, or business of the insured other than farming; other than any policy issued under an automobile insurance assigned risk plan or covering garage, automobile sales agency, repair shop, service station, or public parking place operation hazards.

The term "policy" does not include a binder as defined in s.

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3133 627.420 unless the duration of the binder period exceeds 60
3134 days.

3135 Section 43. Subsection (1), paragraph (a) of subsection
3136 (5), and subsections (6) and (7) of section 627.7295, Florida
3137 Statutes, are amended to read:

3138 627.7295 Motor vehicle insurance contracts.—

3139 (1) As used in this section, the term:

3140 (a) "Policy" means a motor vehicle insurance policy that
3141 provides bodily injury liability ~~personal injury protection~~
3142 coverage, property damage liability coverage, and medical
3143 payments coverage ~~or both~~.

3144 (b) "Binder" means a binder that provides motor vehicle
3145 bodily injury liability coverage, ~~personal injury protection and~~
3146 property damage liability coverage, and medical payments
3147 coverage.

3148 (5)(a) A licensed general lines agent may charge a per-
3149 policy fee up to not to exceed \$10 to cover the administrative
3150 costs of the agent associated with selling the motor vehicle
3151 insurance policy if the policy covers only bodily injury
3152 liability coverage, personal injury protection coverage as
3153 provided by s. 627.736 and property damage liability coverage,
3154 and medical payments coverage as provided by s. 627.7275 and if
3155 no other insurance is sold or issued in conjunction with or
3156 collateral to the policy. The fee is not ~~considered~~ part of the
3157 premium.

3158 (6) If a motor vehicle owner's driver license, license
3159 plate, and registration have previously been suspended pursuant
3160 to s. 316.646 ~~or s. 627.733~~, an insurer may cancel a new policy
3161 only as provided in s. 627.7275.

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3162 (7) A policy of private passenger motor vehicle insurance
3163 or a binder for such a policy may be initially issued in this
3164 state only if, before the effective date of such binder or
3165 policy, the insurer or agent has collected ~~from the insured an~~
3166 ~~amount equal to~~ 2 months' premium from the insured. An insurer,
3167 agent, or premium finance company may not, directly or
3168 indirectly, take any action that results ~~resulting~~ in the
3169 insured paying ~~having paid~~ from the insured's own funds an
3170 amount less than the 2 months' premium required by this
3171 subsection. This subsection applies without regard to whether
3172 the premium is financed by a premium finance company or is paid
3173 pursuant to a periodic payment plan of an insurer or an
3174 insurance agent.

3175 (a) This subsection does not apply:

3176 1. If an insured or member of the insured's family is
3177 renewing or replacing a policy or a binder for such policy
3178 written by the same insurer or a member of the same insurer
3179 group. ~~This subsection does not apply~~

3180 2. To an insurer that issues private passenger motor
3181 vehicle coverage primarily to active duty or former military
3182 personnel or their dependents. ~~This subsection does not apply~~

3183 3. If all policy payments are paid pursuant to a payroll
3184 deduction plan, an automatic electronic funds transfer payment
3185 plan from the policyholder, or a recurring credit card or debit
3186 card agreement with the insurer.

3187 (b) This subsection and subsection (4) do not apply if:

3188 1. All policy payments to an insurer are paid pursuant to
3189 an automatic electronic funds transfer payment plan from an
3190 agent, a managing general agent, or a premium finance company

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3191 and if the policy includes, at a minimum, bodily injury
 3192 liability coverage, personal injury protection pursuant to ss.
 3193 627.730-627.7405; motor vehicle property damage liability
 3194 coverage, and medical payments coverage pursuant to s. 627.7275;
 3195 or and bodily injury liability in at least the amount of \$10,000
 3196 because of bodily injury to, or death of, one person in any one
 3197 accident and in the amount of \$20,000 because of bodily injury
 3198 to, or death of, two or more persons in any one accident. This
 3199 subsection and subsection (4) do not apply if

3200 2. An insured has had a policy in effect for at least 6
 3201 months, the insured's agent is terminated by the insurer that
 3202 issued the policy, and the insured obtains coverage on the
 3203 policy's renewal date with a new company through the terminated
 3204 agent.

3205 Section 44. Subsections (1) and (2) of section 627.7415,
 3206 Florida Statutes, are amended to read:

3207 627.7415 Commercial motor vehicles; additional liability
 3208 insurance coverage.—Commercial motor vehicles, as defined in s.
 3209 207.002 or s. 320.01, operated upon the roads and highways of
 3210 this state shall be insured with the ~~following~~ minimum levels of
 3211 combined bodily liability insurance and property damage
 3212 liability insurance under subsections (1) and (2) in addition to
 3213 any other insurance requirements.†

3214 ~~(1) Fifty thousand dollars per occurrence~~ For a commercial
 3215 motor vehicle with a gross vehicle weight of 26,000 pounds or
 3216 more, but less than 35,000 pounds:

3217 (a) Beginning January 1, 2019, through December 31, 2020,
 3218 no less than \$50,000 per occurrence.

3219 (b) Beginning January 1, 2021, through December 31, 2022,

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3220 no less than \$60,000 per occurrence.

3221 (c) Beginning January 1, 2023, and thereafter, no less than
 3222 \$70,000 per occurrence.

3223 ~~(2) One hundred thousand dollars per occurrence~~ For a
 3224 commercial motor vehicle with a gross vehicle weight of 35,000
 3225 pounds or more, but less than 44,000 pounds:

3226 (a) Beginning January 1, 2019, through December 31, 2020,
 3227 no less than \$100,000 per occurrence.

3228 (b) Beginning January 1, 2021, through December 31, 2022,
 3229 no less than \$120,000 per occurrence.

3230 (c) Beginning January 1, 2023, and thereafter, no less than
 3231 \$140,000 per occurrence.

3232
 3233 A violation of this section is a noncriminal traffic infraction,
 3234 punishable as a nonmoving violation as provided in chapter 318.

3235 Section 45. Section 627.8405, Florida Statutes, is amended
 3236 to read:

3237 627.8405 Prohibited acts; financing companies.—~~A~~ No premium
 3238 finance company ~~shall~~, in a premium finance agreement or other
 3239 agreement, may not finance the cost of or otherwise provide for
 3240 the collection or remittance of dues, assessments, fees, or
 3241 other periodic payments of money for the cost of:

3242 (1) A membership in an automobile club. The term
 3243 "automobile club" means a legal entity that ~~which~~, in
 3244 consideration of dues, assessments, or periodic payments of
 3245 money, promises its members or subscribers to assist them in
 3246 matters relating to the ownership, operation, use, or
 3247 maintenance of a motor vehicle; however, the term this
 3248 ~~definition of "automobile club"~~ does not include persons,

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associations, or corporations ~~which are~~ organized and operated solely for the purpose of conducting, sponsoring, or sanctioning motor vehicle races, exhibitions, or contests upon racetracks, or upon racecourses established and marked as such for the duration of such particular events. The ~~term words~~ "motor vehicle" used herein has ~~have~~ the same meaning as defined in chapter 320.

(2) An accidental death and dismemberment policy sold in combination with a policy providing only medical payments coverage, bodily injury liability coverage, personal injury protection and property damage liability coverage only policy.

(3) Any product not regulated under ~~the provisions of~~ this insurance code.

This section also applies to premium financing by any insurance agent or insurance company under part XVI. The commission shall adopt rules to assure disclosure, at the time of sale, of coverages financed ~~with personal injury protection~~ and shall prescribe the form of such disclosure.

Section 46. Subsection (1) of section 627.915, Florida Statutes, is amended to read:

627.915 Insurer experience reporting.—

(1) Each insurer transacting private passenger automobile insurance in this state shall report certain information annually to the office. The information will be due on or before July 1 of each year. The information must ~~shall~~ be divided into the following categories: bodily injury liability; property damage liability; uninsured motorist; ~~personal injury protection benefits~~; medical payments; and comprehensive and collision. The

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information given must ~~shall~~ be on direct insurance writings in the state alone and ~~shall~~ represent total limits data. The information set forth in paragraphs (a)-(f) is applicable to voluntary private passenger and Joint Underwriting Association private passenger writings and must ~~shall~~ be reported for each of the latest 3 calendar-accident years, with an evaluation date of March 31 of the current year. The information set forth in paragraphs (g)-(j) is applicable to voluntary private passenger writings and must ~~shall~~ be reported on a calendar-accident year basis ultimately seven times at seven different stages of development.

(a) Premiums earned for the latest 3 calendar-accident years.

(b) Loss development factors and the historic development of those factors.

(c) Policyholder dividends incurred.

(d) Expenses for other acquisition and general expense.

(e) Expenses for agents' commissions and taxes, licenses, and fees.

(f) Profit and contingency factors as utilized in the insurer's automobile rate filings for the applicable years.

(g) Losses paid.

(h) Losses unpaid.

(i) Loss adjustment expenses paid.

(j) Loss adjustment expenses unpaid.

Section 47. Subsections (2) and (3) of section 628.909, Florida Statutes, are amended to read:

628.909 Applicability of other laws.—

(2) The following provisions of the Florida Insurance Code

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3307 apply to captive insurance companies who are not industrial
 3308 insured captive insurance companies to the extent that such
 3309 provisions are not inconsistent with this part:

3310 (a) Chapter 624, except for ss. 624.407, 624.408, 624.4085,
 3311 624.40851, 624.4095, 624.411, 624.425, and 624.426.

3312 (b) Chapter 625, part II.

3313 (c) Chapter 626, part IX.

3314 (d) ~~Sections 627.730-627.7405, when no-fault coverage is~~
 3315 ~~provided.~~

3316 ~~(e)~~ Chapter 628.

3317 (3) The following provisions of the Florida Insurance Code
 3318 ~~shall~~ apply to industrial insured captive insurance companies to
 3319 the extent that such provisions are not inconsistent with this
 3320 part:

3321 (a) Chapter 624, except for ss. 624.407, 624.408, 624.4085,
 3322 624.40851, 624.4095, 624.411, 624.425, 624.426, and 624.609(1).

3323 (b) Chapter 625, part II, if the industrial insured captive
 3324 insurance company is incorporated in this state.

3325 (c) Chapter 626, part IX.

3326 (d) ~~Sections 627.730-627.7405 when no-fault coverage is~~
 3327 ~~provided.~~

3328 ~~(e)~~ Chapter 628, except for ss. 628.341, 628.351, and
 3329 628.6018.

3330 Section 48. Subsections (2), (6), and (7) of section
 3331 705.184, Florida Statutes, are amended to read:

3332 705.184 Derelict or abandoned motor vehicles on the
 3333 premises of public-use airports.—

3334 (2) The airport director or the director's designee shall
 3335 contact the Department of Highway Safety and Motor Vehicles to

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3336 notify that department that the airport has possession of the
 3337 abandoned or derelict motor vehicle and to determine the name
 3338 and address of the owner of the motor vehicle, the insurance
 3339 company insuring the motor vehicle, ~~notwithstanding the~~
 3340 ~~provisions of s. 627.736,~~ and any person who has filed a lien on
 3341 the motor vehicle. Within 7 business days after receipt of the
 3342 information, the director or the director's designee shall send
 3343 notice by certified mail, return receipt requested, to the owner
 3344 of the motor vehicle, the insurance company insuring the motor
 3345 vehicle, ~~notwithstanding the provisions of s. 627.736,~~ and all
 3346 persons of record claiming a lien against the motor vehicle. The
 3347 notice must ~~shall~~ state the fact of possession of the motor
 3348 vehicle, that charges for reasonable towing, storage, and
 3349 parking fees, if any, have accrued and the amount thereof, that
 3350 a lien as provided in subsection (6) will be claimed, that the
 3351 lien is subject to enforcement pursuant to law, that the owner
 3352 or lienholder, if any, has the right to a hearing as set forth
 3353 in subsection (4), and that any motor vehicle which, at the end
 3354 of 30 calendar days after receipt of the notice, has not been
 3355 removed from the airport upon payment in full of all accrued
 3356 charges for reasonable towing, storage, and parking fees, if
 3357 any, may be disposed of as provided in s. 705.182(2)(a), (b),
 3358 (d), or (e), including, but not limited to, the motor vehicle
 3359 being sold free of all prior liens after 35 calendar days after
 3360 the time the motor vehicle is stored if any prior liens on the
 3361 motor vehicle are more than 5 years of age or after 50 calendar
 3362 days after the time the motor vehicle is stored if any prior
 3363 liens on the motor vehicle are 5 years of age or less.

3364 (6) The airport pursuant to this section or, if used, a

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3365 licensed independent wrecker company pursuant to s. 713.78 shall
 3366 have a lien on an abandoned or derelict motor vehicle for all
 3367 reasonable towing, storage, and accrued parking fees, if any,
 3368 except that no storage fee ~~may shall~~ be charged if the motor
 3369 vehicle is stored less than 6 hours. As a prerequisite to
 3370 perfecting a lien under this section, the airport director or
 3371 the director's designee must serve a notice in accordance with
 3372 subsection (2) on the owner of the motor vehicle, the insurance
 3373 company insuring the motor vehicle, ~~notwithstanding the~~
 3374 ~~provisions of s. 627.736,~~ and all persons of record claiming a
 3375 lien against the motor vehicle. If attempts to notify the owner,
 3376 the insurance company insuring the motor vehicle,
 3377 ~~notwithstanding the provisions of s. 627.736,~~ or lienholders are
 3378 not successful, the requirement of notice by mail shall be
 3379 considered met. Serving of the notice does not dispense with
 3380 recording the claim of lien.

3381 (7) (a) For the purpose of perfecting its lien under this
 3382 section, the airport shall record a claim of lien which states
 3383 ~~shall state~~:

- 3384 1. The name and address of the airport.
- 3385 2. The name of the owner of the motor vehicle, the
 3386 insurance company insuring the motor vehicle, ~~notwithstanding~~
 3387 ~~the provisions of s. 627.736,~~ and all persons of record claiming
 3388 a lien against the motor vehicle.
- 3389 3. The costs incurred from reasonable towing, storage, and
 3390 parking fees, if any.
- 3391 4. A description of the motor vehicle sufficient for
 3392 identification.

3393 (b) The claim of lien must ~~shall~~ be signed and sworn to or

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3394 affirmed by the airport director or the director's designee.

3395 (c) The claim of lien ~~is shall be~~ sufficient if it is in
 3396 substantially the following form:

CLAIM OF LIEN

3398 State of

3399 County of

3401 Before me, the undersigned notary public, personally appeared
 3402, who was duly sworn and says that he/she is the
 3403 of, whose address is.....; and that the
 3404 following described motor vehicle:

3405 ...(Description of motor vehicle)...

3406 owned by, whose address is, has accrued
 3407 \$..... in fees for a reasonable tow, for storage, and for
 3408 parking, if applicable; that the lienor served its notice to the
 3409 owner, the insurance company insuring the motor vehicle
 3410 ~~notwithstanding the provisions of s. 627.736, Florida Statutes,~~
 3411 and all persons of record claiming a lien against the motor
 3412 vehicle on, ...(year)...., by.....

3413 ...(Signature)...

3414 Sworn to (or affirmed) and subscribed before me this day of
 3415, ...(year)...., by ...(name of person making statement)....

3416 ...(Signature of Notary Public).....(Print, Type, or Stamp

3417 Commissioned name of Notary Public)...

3418 Personally Known....OR Produced....as identification.

3419

3420 However, the negligent inclusion or omission of any information
 3421 in this claim of lien which does not prejudice the owner does
 3422 not constitute a default that operates to defeat an otherwise

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valid lien.

(d) The claim of lien must ~~shall~~ be served on the owner of the motor vehicle, the insurance company insuring the motor vehicle, ~~notwithstanding the provisions of s. 627.736,~~ and all persons of record claiming a lien against the motor vehicle. If attempts to notify the owner, the insurance company insuring the motor vehicle ~~notwithstanding the provisions of s. 627.736,~~ or lienholders are not successful, the requirement of notice by mail shall be considered met. The claim of lien must ~~shall~~ be so served before recordation.

(e) The claim of lien must ~~shall~~ be recorded with the clerk of court in the county where the airport is located. The recording of the claim of lien shall be constructive notice to all persons of the contents and effect of such claim. The lien attaches ~~shall attach~~ at the time of recordation and takes ~~shall take~~ priority as of that time.

Section 49. Subsection (4) of section 713.78, Florida Statutes, is amended to read:

713.78 Liens for recovering, towing, or storing vehicles and vessels.—

(4) (a) Any person regularly engaged in the business of recovering, towing, or storing vehicles or vessels who comes into possession of a vehicle or vessel pursuant to subsection (2), and who claims a lien for recovery, towing, or storage services, shall give notice to the registered owner, the insurance company insuring the vehicle ~~notwithstanding the provisions of s. 627.736,~~ and to all persons claiming a lien thereon, as disclosed by the records in the Department of Highway Safety and Motor Vehicles or as disclosed by the records

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of any corresponding agency in any other state in which the vehicle is identified through a records check of the National Motor Vehicle Title Information System or an equivalent commercially available system as being titled or registered.

(b) ~~If a~~ ~~Whenever any~~ law enforcement agency authorizes the removal of a vehicle or vessel or ~~if a~~ ~~whenever any~~ towing service, garage, repair shop, or automotive service, storage, or parking place notifies the law enforcement agency of possession of a vehicle or vessel pursuant to s. 715.07(2)(a)2., the law enforcement agency of the jurisdiction where the vehicle or vessel is stored shall contact the Department of Highway Safety and Motor Vehicles, or the appropriate agency of the state of registration, if known, within 24 hours through the medium of electronic communications, giving the full description of the vehicle or vessel. Upon receipt of the full description of the vehicle or vessel, the department shall search its files to determine the owner's name, the insurance company insuring the vehicle or vessel, and whether any person has filed a lien upon the vehicle or vessel as provided in s. 319.27(2) and (3) and notify the applicable law enforcement agency within 72 hours. The person in charge of the towing service, garage, repair shop, or automotive service, storage, or parking place shall obtain such information from the applicable law enforcement agency within 5 days after the date of storage and shall give notice pursuant to paragraph (a). The department may release the insurance company information to the requestor ~~notwithstanding the provisions of s. 627.736.~~

(c) Notice by certified mail must ~~shall~~ be sent within 7 business days after the date of storage of the vehicle or vessel

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3481 to the registered owner, the insurance company insuring the
 3482 vehicle ~~notwithstanding the provisions of s. 627.736~~, and all
 3483 persons of record claiming a lien against the vehicle or vessel.
 3484 The notice must ~~It shall~~ state the fact of possession of the
 3485 vehicle or vessel, that a lien as provided in subsection (2) is
 3486 claimed, that charges have accrued and the amount thereof, that
 3487 the lien is subject to enforcement pursuant to law, ~~and~~ that the
 3488 owner or lienholder, if any, has the right to a hearing as set
 3489 forth in subsection (5), and that any vehicle or vessel which
 3490 remains unclaimed, or for which the charges for recovery,
 3491 towing, or storage services remain unpaid, may be sold free of
 3492 all prior liens after 35 days if the vehicle or vessel is more
 3493 than 3 years of age or after 50 days if the vehicle or vessel is
 3494 3 years of age or less.

3495 (d) If attempts to locate the name and address of the owner
 3496 or lienholder prove unsuccessful, the towing-storage operator
 3497 must ~~shall~~, after 7 working days, excluding Saturday and Sunday,
 3498 of the initial tow or storage, notify the public agency of
 3499 jurisdiction where the vehicle or vessel is stored in writing by
 3500 certified mail or acknowledged hand delivery that the towing-
 3501 storage company has been unable to locate the name and address
 3502 of the owner or lienholder and a physical search of the vehicle
 3503 or vessel has disclosed no ownership information and a good
 3504 faith effort has been made, including records checks of the
 3505 Department of Highway Safety and Motor Vehicles database and the
 3506 National Motor Vehicle Title Information System or an equivalent
 3507 commercially available system. As used in ~~For purposes of~~ this
 3508 paragraph and subsection (9), the term "good faith effort" means
 3509 that the following checks have been performed by the company to

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3510 establish prior state of registration and for title:

- 3511 1. Check of the Department of Highway Safety and Motor
- 3512 Vehicles database for the owner and any lienholder.
- 3513 2. Check of the electronic National Motor Vehicle Title
- 3514 Information System or an equivalent commercially available
- 3515 system to determine the state of registration when there is not
- 3516 a current registration record for the vehicle on file with the
- 3517 Department of Highway Safety and Motor Vehicles.
- 3518 3. Check of vehicle or vessel for any type of tag, tag
- 3519 record, temporary tag, or regular tag.
- 3520 4. Check of law enforcement report for tag number or other
- 3521 information identifying the vehicle or vessel, if the vehicle or
- 3522 vessel was towed at the request of a law enforcement officer.
- 3523 5. Check of trip sheet or tow ticket of tow truck operator
- 3524 to see if a tag was on vehicle or vessel at beginning of tow, if
- 3525 private tow.
- 3526 6. If there is no address of the owner on the impound
- 3527 report, check of law enforcement report to see if an out-of-
- 3528 state address is indicated from driver license information.
- 3529 7. Check of vehicle or vessel for inspection sticker or
- 3530 other stickers and decals that may indicate a state of possible
- 3531 registration.
- 3532 8. Check of the interior of the vehicle or vessel for any
- 3533 papers that may be in the glove box, trunk, or other areas for a
- 3534 state of registration.
- 3535 9. Check of vehicle for vehicle identification number.
- 3536 10. Check of vessel for vessel registration number.
- 3537 11. Check of vessel hull for a hull identification number
- 3538 which should be carved, burned, stamped, embossed, or otherwise

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permanently affixed to the outboard side of the transom or, if there is no transom, to the outmost seaboard side at the end of the hull that bears the rudder or other steering mechanism.

Section 50. Paragraph (a) of subsection (1), paragraph (c) of subsection (7), paragraphs (a), (b), and (c) of subsection (8), and subsections (9) and (10) of section 817.234, Florida Statutes, are amended to read:

817.234 False and fraudulent insurance claims.—

(1)(a) A person commits insurance fraud punishable as provided in subsection (11) if that person, with the intent to injure, defraud, or deceive any insurer:

1. Presents or causes to be presented any written or oral statement as part of, or in support of, a claim for payment or other benefit pursuant to an insurance policy or a health maintenance organization subscriber or provider contract, knowing that such statement contains ~~any~~ false, incomplete, or misleading information concerning any fact or thing material to such claim;

2. Prepares or makes any written or oral statement that is intended to be presented to an ~~any~~ insurer in connection with, or in support of, any claim for payment or other benefit pursuant to an insurance policy or a health maintenance organization subscriber or provider contract, knowing that such statement contains ~~any~~ false, incomplete, or misleading information concerning any fact or thing material to such claim;

3.a. Knowingly presents, causes to be presented, or prepares or makes with knowledge or belief that it will be presented to an ~~any~~ insurer, purported insurer, servicing corporation, insurance broker, or insurance agent, or any

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employee or agent thereof, ~~any~~ false, incomplete, or misleading information or a written or oral statement as part of, or in support of, an application for the issuance of, or the rating of, any insurance policy, or a health maintenance organization subscriber or provider contract; or

b. Knowingly conceals information concerning any fact material to such application; or

4. Knowingly presents, causes to be presented, or prepares or makes with knowledge or belief that it will be presented to any insurer a claim for payment or other benefit under medical payments coverage in a motor vehicle a personal injury protection insurance policy if the person knows that the payee knowingly submitted a false, misleading, or fraudulent application or other document when applying for licensure as a health care clinic, seeking an exemption from licensure as a health care clinic, or demonstrating compliance with part X of chapter 400.

(7)

(c) An insurer, or any person acting at the direction of or on behalf of an insurer, may not change an opinion in a mental or physical report prepared under s. 627.7265(9) ~~s. 627.736(7)~~ or direct the physician preparing the report to change such opinion; however, this provision does not preclude the insurer from calling to the attention of the physician errors of fact in the report based upon information in the claim file. Any person who violates this paragraph commits a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

(8)(a) It is unlawful for any person intending to defraud

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3597 any other person to solicit or cause to be solicited any
 3598 business from a person involved in a motor vehicle accident for
 3599 the purpose of making, adjusting, or settling motor vehicle tort
 3600 claims or claims for benefits under medical payments coverage in
 3601 a motor vehicle insurance policy ~~personal injury protection~~
 3602 ~~benefits required by s. 627.736.~~ Any person who violates the
 3603 ~~provisions of~~ this paragraph commits a felony of the second
 3604 degree, punishable as provided in s. 775.082, s. 775.083, or s.
 3605 775.084. A person who is convicted of a violation of this
 3606 subsection shall be sentenced to a minimum term of imprisonment
 3607 of 2 years.

3608 (b) A person may not solicit or cause to be solicited any
 3609 business from a person involved in a motor vehicle accident by
 3610 any means of communication other than advertising directed to
 3611 the public for the purpose of making motor vehicle tort claims
 3612 or claims for benefits under medical payments coverage in a
 3613 motor vehicle insurance policy ~~personal injury protection~~
 3614 ~~benefits required by s. 627.736,~~ within 60 days after the
 3615 occurrence of the motor vehicle accident. Any person who
 3616 violates this paragraph commits a felony of the third degree,
 3617 punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

3618 (c) A lawyer, health care practitioner as defined in s.
 3619 456.001, or owner or medical director of a clinic required to be
 3620 licensed pursuant to s. 400.9905 may not, at any time after 60
 3621 days have elapsed from the occurrence of a motor vehicle
 3622 accident, solicit or cause to be solicited any business from a
 3623 person involved in a motor vehicle accident by means of in
 3624 person or telephone contact at the person's residence, for the
 3625 purpose of making motor vehicle tort claims or claims for

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3626 benefits under medical payments coverage in a motor vehicle
 3627 insurance policy ~~personal injury protection benefits required by~~
 3628 ~~s. 627.736.~~ Any person who violates this paragraph commits a
 3629 felony of the third degree, punishable as provided in s.
 3630 775.082, s. 775.083, or s. 775.084.

3631 (9) A person may not organize, plan, or knowingly
 3632 participate in an intentional motor vehicle crash or a scheme to
 3633 create documentation of a motor vehicle crash that did not occur
 3634 for the purpose of making motor vehicle tort claims or claims
 3635 for benefits under medical payments coverage in a motor vehicle
 3636 insurance policy ~~personal injury protection benefits as required~~
 3637 ~~by s. 627.736.~~ Any person who violates this subsection commits a
 3638 felony of the second degree, punishable as provided in s.
 3639 775.082, s. 775.083, or s. 775.084. A person who is convicted of
 3640 a violation of this subsection shall be sentenced to a minimum
 3641 term of imprisonment of 2 years.

3642 (10) A licensed health care practitioner who is found
 3643 guilty of insurance fraud under this section for an act relating
 3644 to a motor vehicle ~~personal injury protection~~ insurance policy
 3645 loses his or her license to practice for 5 years and may not
 3646 receive reimbursement under medical payments coverage in a motor
 3647 vehicle insurance policy ~~for personal injury protection benefits~~
 3648 for 10 years.

3649 Section 51. Applicability and construction; notice to
 3650 policyholders.-

3651 (1) As used in this section, the term "minimum security
 3652 requirements" means security that enables a person to respond in
 3653 damages for liability on account of crashes arising out of the
 3654 ownership, maintenance, or use of a motor vehicle in the amounts

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required by s. 324.021(7), Florida Statutes.

(2) Effective January 1, 2019:

(a) Motor vehicle insurance policies issued or renewed on or after that date may not include personal injury protection.

(b) All persons subject to s. 324.022, s. 324.032, s. 627.7415, or s. 627.742, Florida Statutes, must maintain at least minimum security requirements.

(c) Any new or renewal motor vehicle insurance policy delivered or issued for delivery in this state must provide coverage that complies with minimum security requirements.

(d) Any new or renewal motor vehicle insurance policy furnished to an owner or operator of a motor vehicle as proof of financial responsibility pursuant to s. 324.022 or s. 324.031, Florida Statutes, must provide medical payments coverage that complies with s. 627.7265, Florida Statutes.

(e) An existing motor vehicle insurance policy issued before that date which provides personal injury protection and property damage liability coverage that meets the requirements of s. 324.022, Florida Statutes, on December 31, 2018, but which does not meet minimum security requirements on or after January 1, 2019, is deemed to meet the security requirements of s. 324.022, Florida Statutes, and the medical payments coverage requirements of s. 627.7265, Florida Statutes, until such policy is renewed, nonrenewed, or canceled on or after January 1, 2019.

(3) Each insurer shall allow each insured who has a new or renewal policy providing personal injury protection, which becomes effective before January 1, 2019, and whose policy does not meet minimum security requirements on or after January 1, 2019, to change coverages so as to eliminate personal injury

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protection and obtain coverage providing minimum security requirements, which shall be effective on or after January 1, 2019. The insurer is not required to provide coverage complying with minimum security requirements in such policies if the insured does not pay the required premium, if any, by January 1, 2019, or such later date as the insurer may allow. Any reduction in the premium must be refunded by the insurer. The insurer may not impose on the insured an additional fee or charge that applies solely to a change in coverage; however, the insurer may charge an additional required premium that is actuarially indicated.

(4) By September 1, 2018, each motor vehicle insurer shall provide notice of this section to each motor vehicle policyholder who is subject to this section. The notice is subject to approval by the Office of Insurance Regulation and must clearly inform the policyholder that:

(a) The Florida Motor Vehicle No-Fault Law is repealed, effective January 1, 2019, and that on or after that date, the insured is no longer required to maintain personal injury protection insurance coverage, that personal injury protection coverage is no longer available for purchase in this state, and that all new or renewal policies issued on or after that date do not contain such coverage.

(b) Effective January 1, 2019, a person subject to the financial responsibility requirements of s. 324.022, Florida Statutes, must maintain minimum security requirements that enable the person to respond in damages for liability on account of accidents arising out of the ownership, maintenance, or use of a motor vehicle in the following amounts:

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3713 1. Beginning January 1, 2019, and continuing through
 3714 December 31, 2020:
 3715 a. Twenty thousand dollars for bodily injury to, or the
 3716 death of, one person in any one crash and, subject to such
 3717 limits for one person, in the amount of \$40,000 for bodily
 3718 injury to, or the death of, two or more persons in any one
 3719 crash; and
 3720 b. Ten thousand dollars for damage to, or destruction of,
 3721 the property of others in any one crash.
 3722 2. Beginning January 1, 2021, and continuing through
 3723 December 31, 2022:
 3724 a. Twenty-five thousand dollars for bodily injury to, or
 3725 the death of, one person in any one crash and, subject to such
 3726 limits for one person, in the amount of \$50,000 for bodily
 3727 injury to, or the death of, two or more persons in any one
 3728 crash; and
 3729 b. Ten thousand dollars for damage to, or destruction of,
 3730 the property of others in any one crash.
 3731 3. Beginning January 1, 2023, and continuing thereafter:
 3732 a. Thirty thousand dollars for bodily injury to, or the
 3733 death of, one person in any one crash and, subject to such
 3734 limits for one person, in the amount of \$60,000 for bodily
 3735 injury to, or the death of, two or more persons in any one
 3736 crash; and
 3737 b. Ten thousand dollars for damage to, or destruction of,
 3738 the property of others in any one crash.
 3739 (c) Personal injury protection insurance paid covered
 3740 medical expenses for injuries sustained in a motor vehicle crash
 3741 by the policyholder, passengers, and relatives residing in the

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3742 policyholder's household.
 3743 (d) Bodily injury liability coverage protects the insured,
 3744 up to the coverage limits, against loss if the insured is
 3745 legally responsible for the death of or bodily injury to others
 3746 in a motor vehicle accident.
 3747 (e) Effective January 1, 2019, a person who purchases a
 3748 motor vehicle liability insurance policy as proof of financial
 3749 responsibility must maintain medical payments coverage that
 3750 complies with s. 627.7265, Florida Statutes. Medical payments
 3751 coverage pays covered medical expenses, up to the limits of such
 3752 coverage, for injuries sustained in a motor vehicle crash by the
 3753 policyholder, passengers, and relatives residing in the
 3754 policyholder's household, as provided in s. 627.7265, Florida
 3755 Statutes.
 3756 (f) The policyholder may obtain underinsured motorist
 3757 coverage, which provides benefits, up to the limits of such
 3758 coverage, to a policyholder or other insured entitled to recover
 3759 damages for bodily injury, sickness, disease, or death resulting
 3760 from a motor vehicle accident with an uninsured or underinsured
 3761 owner or operator of a motor vehicle.
 3762 (g) If the policyholder's new or renewal motor vehicle
 3763 insurance policy is effective before January 1, 2019, and
 3764 contains personal injury protection and property damage
 3765 liability coverage as required by state law before January 1,
 3766 2019, but does not meet minimum security requirements on or
 3767 after January 1, 2019, the policy is deemed to meet minimum
 3768 security requirements until it is renewed, nonrenewed, or
 3769 canceled on or after January 1, 2019.
 3770 (h) A policyholder whose new or renewal policy becomes

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effective before January 1, 2019, but does not meet minimum security requirements on or after January 1, 2019, may change coverages under the policy so as to eliminate personal injury protection and to obtain coverage providing minimum security requirements, including bodily injury liability coverage, which are effective on or after January 1, 2019.

(i) If the policyholder has any questions, he or she should contact the person named at the telephone number provided in the notice.

(5) This section takes effect upon this act becoming a law.

Section 52. Application of suspensions for failure to maintain security; reinstatement.-All suspensions for failure to maintain required security as required by law in effect before January 1, 2019, remain in full force and effect after January 1, 2019. A driver may reinstate a suspended driver license or registration as provided under s. 324.0221, Florida Statutes.

Section 53. Except as otherwise expressly provided in this act and except for this section, which shall take effect upon this act becoming a law, this act shall take effect January 1, 2019.



The Florida Senate

Committee Agenda Request

To: Senator Anitere Flores, Chair
Senate Committee on Banking and Insurance

Subject: Committee Agenda Request

Date: September 19th, 2017

I respectfully request that **Senate Bill #150**, relating to **Motor Vehicle Insurance**, be placed on the:

- ☐ committee agenda at your earliest possible convenience.
- ☒ next committee agenda.

A handwritten signature in blue ink that reads "Tom Lee".

Senator Tom Lee
Florida Senate, District 20

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: SB 162

INTRODUCER: Senator Steube

SUBJECT: Payment of Health Care Claims

DATE: December 4, 2017

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Johnson	Knudson	BI	Favorable
2.			HP	
3.			RC	

I. Summary:

SB 162 prohibits health insurers and health maintenance organizations (HMOs) from retroactively denying a claim at any time if the insurer or HMO verified the eligibility of an insured or subscriber at the time of treatment and provided an authorization number. The provisions of the bill apply to policies or contracts issued or renewed on or after January 1, 2018. Medicaid managed care plans are exempt from the provisions of the bill. Currently, a health insurer or HMO may retroactively deny a claim because of an insured's ineligibility up to 1 year after the payment of the claim. Under existing law, the patient is responsible for those claims, which potentially exposes the physician to financial risk if the patient does not pay the claims.

The bill has an estimated negative fiscal impact of \$166,347 on the fully-insured HMO plan in the State Group Insurance.

II. Present Situation:

Denial of Health Insurance Claims

According to the American Medical Association (AMA), health care providers lose a significant amount of administrative time and revenue due to denied claims. In 2013, the AMA estimated that more than \$43 billion in savings could have been realized since 2010 if commercial insurers had consistently paid claims correctly.¹

Coverage for medical services can be denied before or after the service has been provided, through denial of preauthorization requests, through denial of claims for payment, or a retroactive denial of payment. As a condition for coverage of some services, providers or insureds are required to request authorization prior to providing or receiving the service. The full

¹ Amednews.com, *Claims Analysis Shows Doctors the Way to Fight Insurer Denials* (July 15, 2013) (on file with the Senate Committee on Banking and Insurance).

claim or certain lines of the claim may be denied, such as a surgery with charges for multiple procedures and supplies.

There are many possible reasons for claim denials. Claims may be denied due to an incorrect diagnosis code, incomplete claim submission, or the submission of a duplicate claim. Eligibility issues can cause claims to be denied. For example, a claim may be submitted for a service provided prior to an individual's effective date of coverage or after it has been terminated. Finally, claim denials can occur when a determination is made that the service provided was not covered or it was not medically necessary. Under state and federal laws, denied claims may be appealed.

After an insurer or HMO pays a claim, the insurer or HMO may conduct a claims audit to verify claims were paid appropriately and accurately. Such an audit can be triggered by a variety of reasons. Some of these situations include regulators establishing new billing guidelines; the provider making significant changes to the original bill, such as the diagnosis of the patient; the plan is notified that the enrollee's coverage is terminated due to non-payment of premiums; or the plan is notified that the enrollee has other health insurance coverage. After the audit, an insurer or HMO may retrospectively deny a claim for a preauthorized service and try to recoup the payment from the provider. Reasons for the retroactive denial may include fraud, submission of incomplete or inaccurate information; nonpayment of premiums; exhaustion of benefits; coordination of benefits; or if the individual was not enrolled or eligible for coverage at the time services were rendered. As a result, an insurer or HMO may try to recoup payment from a provider by retroactively denying a previously paid claim.

Group Health Plans Retroactive Termination of Coverage

Retroactive termination of insurance coverage to an earlier date due to an employee's discharge is an increasing problem for some providers and consumers. Some plans may allow an employer to cancel coverage of an employee retroactively more than 90 days post termination. Other plans will accept retroactive terminations for up to the preceding 3 months, if the plan has not paid any claims for the enrollee during that period. If claims have been paid within the previous 60 days, the coverage termination date may be established as of the end of the month in which services were rendered.

When a provider is notified of a retroactive termination, the provider may have already verified that the patient was covered, rendered services in reliance and expectation of payment, and even received payment. Retroactive terminations often result in the provider or the consumer bearing the loss, despite the verified eligibility.

Federal Subsidized Individual Policies or Contracts and Grace Periods

The federal Patient Protection and Affordable Care Act (PPACA)² guarantees access to coverage and mandates certain essential health benefits and other requirements. To address affordability issues, federal premium tax credits and cost-sharing subsidies are available to assist eligible low and moderate-income individuals to purchase qualified health plans (QHPs) on a state or federal

² The Patient Protection and Affordable Care Act (Pub. Law No. 111-148) was enacted on March 23, 2010. The Health Care and Education Reconciliation Act of 2010 (Pub. Law No. 111-152), which amended several provisions of the PPACA, was enacted on March 30, 2010.

exchange.³ In Florida, 1,588,628 individuals (or 91 percent of the total individuals) enrolled through the federal exchange received premium tax credits for plan year 2016.⁴

Under PPACA, insurers and HMOs must provide a grace period⁵ of at least three consecutive months⁶ before cancelling the policy or contract of a federally subsidized enrollee who is delinquent if the enrollee previously paid 1-month's premium. During the grace period, the insurer must pay all appropriate claims for services provided during the first month of the grace period. For the second and third months, an insurer may pend claims. Issuers must notify providers that may be affected that an enrollee has lapsed in his or her payment of premiums and there is a possibility the issuer may deny the payment of claims incurred during the second and third months.⁷

If the enrollee resolves all outstanding premium payments by the end of the grace period, then the pended claims would be paid as appropriate. If not, the claims for the second and third month would be denied. If coverage is terminated, the termination date is the last day of the first month of the grace period and the insurer may not recoup any payment for claims made during the first month of the grace period. At the end of grace period, the provider may seek payment for the medical services the insurer denied for months two and three. Providers note that it will be extremely difficult to obtain direct payment from patients receiving federal subsidies given their low or moderate income.⁸ According to a 2014 survey, 48 percent of the providers not participating with any PPACA exchange products cited concerns about assuming financial liability during the grace period as a reason for their decision.⁹

Regulation of Insurance in Florida

The Office of Insurance Regulation (OIR) licenses and regulates the activities of insurers, HMOs, and other risk-bearing entities.¹⁰ The Agency for Health Care Administration (AHCA) regulates the quality of care provided by HMOs under part III of ch. 641, F.S. Before receiving a

³In general, individuals and families may be eligible for the premium tax credit if their household income for the year is at least 100 percent but no more than 400 percent of the federal poverty line for their family size. For residents of one of the 48 contiguous states or Washington, D.C., the following illustrates when household income would be at least 100 percent but no more than 400 percent of the federal poverty line in computing your premium tax credit for 2015: \$11,880 (100 percent) up to \$46,680 (400 percent) for one individual; \$16,020 (100 percent) up to \$62,920 (400 percent) for a family of two; and \$20,160 (100 percent) up to \$95,400 (400 percent) for a family of four. ASPE Research Brief, *Health Plan Choice and Premiums in the 2017 Health Insurance Marketplace*, (Oct. 24, 2016) available at <https://www.irs.gov/affordable-care-act/individuals-and-families/questions-and-answers-on-the-premium-tax-credit> (last viewed Nov. 7, 2017).

⁴ U.S. Department of Health and Human Services, Office of the Assistant Secretary for Planning and Evaluation, *Health Insurance Marketplace Premiums After Shopping, Switching, and Premium Tax Credits, 2015-2016* (Apr. 12, 2016), available at <https://aspe.hhs.gov/pdf-report/marketplace-premiums-after-shopping-switching-and-premium-tax-credits-2015-2016> (last viewed Nov. 7, 2017).

⁵ Example of grace period: Premium is not paid in May. Premium payments are made in June and July. Grace period would end July 31. Coverage would be cancelled retroactively to the last day of May. See <https://www.healthcare.gov/apply-and-enroll/health-insurance-grace-period/> (last viewed Nov. 7, 2017).

⁶ 45 C.F.R. s. 155.430.

⁷ 45 C.F.R. s. 156.270.

⁸ American Hospital Association, *et al.*, Letter to Ms. Tavenner, Centers for Medicare and Medicaid Services (Aug. 15, 2013) (on file with the Senate Committee on Banking and Insurance).

⁹ Tracy Gnadinger, Health Policy Brief: The Ninety-Day Grace Period, (Oct. 16, 2014) available at <http://healthaffairs.org/blog/2014/10/17/health-policy-brief-the-ninety-day-grace-period/> (last viewed Nov. 7, 2017).

¹⁰ Section 20.121(3), F.S.

certificate of authority from the OIR, an HMO must receive a Health Care Provider Certificate from AHCA.¹¹

Florida's Prompt Payment Laws

Florida's prompt payment laws govern payment of provider claims submitted to insurers and HMOs, including Medicaid managed care plans in accordance with ss. 627.6131 and 641.3155, F.S., respectively.¹² These provisions delineate the rights and responsibilities of insurers, HMOs, and providers for the payment of claims. An insurer or HMO has 12 months after payment is made to a provider to make a claim for overpayment against the provider, if the provider is licensed under ch. 458, F.S., (physicians), ch. 459, F.S., (osteopaths), ch. 460, F.S., (chiropractors), ch. 461, F.S., (podiatrists), or ch. 466, F.S., (dentists). For all other types of providers, an insurer or HMO has up to 30 months after such payment to make a claim for overpayment.¹³ The law provides a process and timeline for providers to pay, deny, or contest the claim. Further, the law prohibits an insurer or HMO from retroactively denying a claim because of the ineligibility of an insured or subscriber more than one year after the date the claim is paid.

Grace Periods

The federal regulation governing grace periods for federally subsidized policies or contracts does not affect policies or contracts of individuals who are not enrolled in an exchange QHP or who are enrolled in an exchange QHP and do not receive a subsidy. The grace period for these individual policies or contracts remains at the length required under Florida law,¹⁴ which varies by the duration of the premium payment interval. During the grace period, the policy or contract stays in force, thus the insurer or HMO must affirm that an individual is insured, even when the payment is late and remains unpaid during the grace period. If the insurer or HMO does not receive the full payment of the premium by the end of the grace period, coverage terminates as of the grace period start date and the insurer or HMO may retroactively deny any claims incurred during the grace period.

Division of State Group Insurance

Under the authority of s. 110.123, F.S., the Department of Management Services (DMS), through the Division of State Group Insurance, administers the state group health insurance program under a cafeteria plan consistent with section 125, Internal Revenue Code. To administer the

¹¹ Section 641.21(1), F.S.

¹² The prompt pay provisions apply to HMO contracts and major medical policies offered by individual and group insurers licensed under ch. 624, F.S., including preferred provider policies and an exclusive provider organization, and individual and group contracts that only provide direct payments to dentists.

¹³ Section 627.6131, F.S., and 641.3155, F.S., provide exceptions to this time limit in cases relating to fraud.

¹⁴ Sections 627.608 and 641.31(15), F.S. The grace period of an individual policy must be a minimum of 7 days for weekly premium; 10 days for a monthly premium; and 31 days for all other periods. The grace period of a HMO contract must be at least 10 days. For group policies, s. 627.6645, F.S., requires that if cancellation is due to nonpayment of premium, the insurer may not retroactively cancel the policy to a date prior to the date that notice of cancellation was provided to the policyholder unless the insurer mails notice of cancellation to the policyholder prior to 45 days after the date the premium was due. Such notice must be mailed to the policyholder's last address as shown by the records of the insurer and may provide for a retroactive date of cancellation no earlier than midnight of the date that the premium was due. See 45 C.F.R. s. 155.735 for provisions relating to the termination of Small Business Health Options Program (SHOP) enrollment or coverage obtained through an exchange.

state group health insurance program, DMS contracts with third party administrators for self-insured health plans and insured health maintenance organizations (HMOs), as well as a pharmacy benefits manager for the state employees' self-insured prescription drug program pursuant to s. 110.12315, F.S.

Florida's Statewide Medicaid Managed Care Program

The Florida Medicaid program is a partnership between the federal and state governments. In Florida, the Agency for Health Care Administration (AHCA) oversees the Medicaid program. The Department of Children and Families (DCF) conducts Medicaid eligibility determinations.¹⁵ The Statewide Medicaid Managed Care (SMMC) program¹⁶ has two components: the Managed Medical Assistance (MMA) program and the Long-term Care (LTC) program. The AHCA contracts with managed care plans to provide services to eligible recipients. The MMA program covers medical and acute care services for plan enrollees. Most Florida Medicaid recipients who are eligible for the full array of Florida Medicaid benefits are enrolled in an MMA plan. The LTC program covers nursing facility and home and community-based services to eligible adults.

Medicaid managed care plans are responsible for paying claims in accordance with federal and state law and contractual requirements. Florida Medicaid managed care plans are required to comply with s. 641.3155, F.S.,¹⁷ which allows HMOs to deny a claim retroactively because of an insured or subscriber ineligibility up to one year after the date of payment of the claim. After paying claims pursuant with the deadlines in s. 641.3155, F.S., an HMO may audit claims to verify payment was appropriate and accurate. As a result, an HMO may try to recoup payment from a provider for claims paid in error. It may do this by reducing payments currently owed the provider, withholding future payments, or otherwise requiring a refund from the provider.

III. Effect of Proposed Changes:

Sections 1 and 2 of the bill amend ss. 627.6131 and 641.3155, F.S., respectively, to prohibit a health insurer or an HMO from retroactively denying a claim because of an insured's ineligibility at any time if the health insurer or HMO verified the eligibility of an insured at the time of treatment and provided an authorization for payment. The provisions of Sections 1 and 2 apply to policies or contracts issued or renewed on or after January 1, 2019. Section 2 provides that the provisions of the bill do not apply to Medicaid managed care plans.

Currently, ss. 627.608, F.S., and 641.31(15), F.S., require individual health insurance policies and all health maintenance contracts, excluding federally subsidized policies or contracts, to have a grace period of not less than 7 days and up to 31 days. If any required premium is not paid on or before the due date, it may be paid during the following grace period. During the grace period, the contract stays in force. If full payment of the premium is not received by the end of the grace period, coverage terminates as of the grace period start date, and the insurer or HMO will retroactively deny any claims incurred during the grace period. For a group policy, if

¹⁵The Social Security Administration makes determination for recipients of Supplemental Security Income. See <http://www.myflfamilies.com/service-programs/access-florida-food-medical-assistance-cash/medicaid> (last viewed Nov. 7, 2017).

¹⁶ Part IV of ch. 409, F.S.

¹⁷ Section 409.967(2)(j), F.S.

cancellation is due to nonpayment of premium, the insurer may not retroactively cancel the policy to a date prior to the date that notice of cancellation was provided to the policyholder unless the insurer mails notice of cancellation to the policyholder prior to 45 days after the date the premium was due. Such notice must be mailed to the policyholder's last address as shown by the records of the insurer and may provide for a retroactive date of cancellation no earlier than midnight of the date that the premium was due.¹⁸

The bill requires HMOs and insurers to pay claims incurred during the grace period and any other time for policies or contracts that were not eligible for the federal premium tax credit, if the provider verified the insured as eligible at the time of treatment and was provided an authorization number by the insurer or HMO. Currently ss. 627.6131, F.S., and 641.3155, F.S., limit the ability of a HMO or insurer to deny a claim retroactively because of insured ineligibility to one year after the date of payment of the claim.

Section 3 provides this act takes effect July 1, 2018.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Eliminating the ability of a health insurer or HMO to recoup the payment of a claim for an authorized treatment for an individual previously deemed eligible will prevent unanticipated additional financial obligations to a patient and potential unexpected loss of revenues to a provider. This will simultaneously impose additional financial liability on a health insurer or HMO that provides authorization for an individual who is later deemed ineligible for coverage.

¹⁸ Section 627.6645, F.S.

Federal regulations govern the grace period and payment of claims of individuals receiving federally subsidized products on the exchange. This bill would not apply to such claims.

The provisions of the bill would not apply to ERISA (Federal Employee Retirement Income Security Act of 1974)¹⁹ self-insured plans. ERISA preempts the regulation of such plans by the state.

C. **Government Sector Impact:**

DMS/Division of State Group Insurance. According to DMS, Capital Health Plan, the only fully insured plan, would incur an estimated negative fiscal impact of \$166,347²⁰ on an annual basis. The bill would not affect the self-funded insurance plans.²¹

Florida's Medicaid Program. Medicaid managed care plans are exempt from the provisions of the bill.

Office of Insurance Regulation. None.²²

VI. **Technical Deficiencies:**

None.

VII. **Related Issues:**

Internally, an insurer may understand an authorization to be a pre-service approval for certain benefits or services, a voluntary pre-certification request, or a pre-admission certification. Not all benefits or procedures require prior authorization. A plan may offer a reference number for the call. An insured, member, or provider may consider this their authorization number.

VIII. **Statutes Affected:**

This bill substantially amends the following sections of the Florida Statutes: 627.6131 and 641.3155.

IX. **Additional Information:**

A. **Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

¹⁹ 29 U.S.C. 1001 et seq. (1974).

²⁰ Department of Management Services correspondence (Nov. 21, 2017) (on file with the Senate Committee on Banking and Insurance).

²¹ Department of Management Services, *Senate Bill 162 Analysis* (Nov. 13, 2017) (on file with the Senate Committee on Banking and Insurance).

²² Office of Insurance Regulation, *Senate Bill 162 Analysis* (Sep. 29, 2017) (on file with the Senate Committee on Banking and Insurance).

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

By Senator Steube

23-00002-18

2018162__

A bill to be entitled

An act relating to the payment of health care claims; amending s. 627.6131, F.S.; prohibiting a health insurer from retroactively denying a claim under specified circumstances; providing applicability; amending s. 641.3155, F.S.; prohibiting a health maintenance organization from retroactively denying a claim under specified circumstances; providing applicability; providing an effective date.

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

Section 1. Subsection (11) of section 627.6131, Florida Statutes, is amended to read:

627.6131 Payment of claims.—

(11) A health insurer may not retroactively deny a claim because of insured ineligibility:

(a) At any time, if the health insurer verified the eligibility of an insured at the time of treatment and provided an authorization number. This paragraph applies to policies entered into or renewed on or after January 1, 2019.

(b) More than 1 year after the date of payment of the claim.

Section 2. Subsection (10) of section 641.3155, Florida Statutes, is amended to read:

641.3155 Prompt payment of claims.—

(10) A health maintenance organization may not retroactively deny a claim because of subscriber ineligibility:

(a) At any time, if the health maintenance organization

Page 1 of 2

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

23-00002-18

2018162__

verified the eligibility of a subscriber at the time of treatment and provided an authorization number. This paragraph applies to contracts entered into or renewed on or after January 1, 2019. This paragraph does not apply to Medicaid managed care plans pursuant to part IV of chapter 409.

(b) More than 1 year after the date of payment of the claim.

Section 3. This act shall take effect July 1, 2018.

Page 2 of 2

CODING: Words ~~stricken~~ are deletions; words underlined are additions.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Judiciary, *Chair*
Banking and Insurance, *Vice Chair*
Agriculture
Appropriations Subcommittee on Finance and Tax
Appropriations Subcommittee on Pre-K - 12 Education
Children, Families, and Elder Affairs
Regulated Industries

JOINT COMMITTEE:

Joint Committee on Public Counsel Oversight

SENATOR GREG STEUBE

23rd District

August 28, 2017

The Honorable Anitere Flores
Florida Senate
404 Senate Office Building
404 South Monroe Street
Tallahassee, FL 32399-1100

Dear Senator Flores,

I am writing this letter because my bill, SB 162 – Payment of Health Care Claims, has been referred to the Senate Banking and Insurance Committee. I am respectfully requesting that you place the bill on your committee's calendar for the next committee week.

Thank you for your consideration. Please contact me if you have any questions.

Very respectfully yours,

A handwritten signature in blue ink, appearing to be "W. Gregory Steube".

W. Gregory Steube, District 23

REPLY TO:

- ☐ 6230 University Parkway, Suite 202, Sarasota, Florida 34240 (941) 342-9162
- ☐ 326 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5023

Senate's Website: www.flsenate.gov

JOE NEGRON
President of the Senate

ANITERE FLORES
President Pro Tempore

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12/5/17
Meeting Date

SB 162
Bill Number (if applicable)

Topic Payment of Healthcare claims

Amendment Barcode (if applicable)

Name Wences Trancoso

Job Title Vicepresident & General Counsel

Address 200 W. College Ave
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Tallahassee FL 32301
City State Zip

Phone 386-2904

Email Wences@FAHP.net

Speaking: ☐ For ☒ Against ☐ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Florida Association of Health Plans

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12-5-2017

Meeting Date

162

Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name Brian Pitts

Job Title Trustee

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Street

Phone 727/897-9291

St. Petersburg FL 33705
City State Zip

Email justice2jesus@yahoo.com

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Justice-2-Jesus

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

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S-001 (10/14/14)

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12/5/17

Meeting Date

162

Bill Number (if applicable)

Topic Payment of Healthcare Claims

Amendment Barcode (if applicable)

Name Brewster Bevis

Job Title Senior Vice President

Address 516 W Adams St

Street

Phone 224-7173

TLH

City

FL

State

3230

Zip

Email Brews@ad.com

Speaking: ☐ For ☒ Against ☐ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Associated Industries of Florida

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

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12/5/17
Meeting Date

162
Bill Number (if applicable)

Topic Payment of Healthcare Claims

Amendment Barcode (if applicable)

Name Mary Thomas

Job Title Assistant General Counsel

Address 1430 Piedmont Dr. E
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Tallahassee FL 32308
City State Zip

Phone 850 224 6496

Email MThomas@flmedical.org

Speaking: ☐ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Florida Medical Association

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

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S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

12-5-2017

Meeting Date

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

SB 162

Bill Number (if applicable)

Topic PAYMENT OF HEALTH CARE CLAIMS

Amendment Barcode (if applicable)

Name STEPHEN R. WINN

Job Title EXECUTIVE DIRECTOR

Address 2544 BLAIRSTONE PINES DRIVE

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FL

32301

City

State

Zip

Email

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing FLORIDA DYSTROPHIC MEDICAL ASSOCIATION

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12/5/17

Meeting Date

162

Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name Chris Nuland

Job Title _____

Address 1000 Riverride Ave #240
Street

Phone 904-233-3051

City

State

Zip

Email nulandlawesol.com

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Florida Chapter, American College of Physicians

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

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S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

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12/5/17

Meeting Date

SB 162

Bill Number (if applicable)

Topic SB 162 - PAYMENT OF HEALTH CARE

Amendment Barcode (if applicable)

Name DR. MARK LAMBERT

Job Title PODIATRIC PHYSICIAN

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Phone 850 516-2274

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Email DR.LAMBO@afl.com

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing FLORIDA PODIATRIC MEDICAL ASSOCIATION

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12-5-17

Meeting Date

SB 162

Bill Number (if applicable)

Topic Payment of Health Care Claims

Amendment Barcode (if applicable)

Name Dorene Barker

Job Title Associate State Director

Address 200 W. College Ave

Phone 850 228-6387

Street

Jacksonville FL

City

State

32303

Zip

Email dobarker@aacrp.org

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing AARP FL

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

December 5, 2017

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

162

*Meeting Date**Bill Number (if applicable)*Topic Payment of Healthcare Claims*Amendment Barcode (if applicable)*Name Jill GranJob Title Policy DirectorAddress 2868 Mahan DrPhone 850-878-2196*Street*TallahasseeFL32308*City**State**Zip*Email jill@myfbha.orgSpeaking: ☐ For ☐ Against ☐ InformationWaive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)Representing Florida Behavioral Health AssociationAppearing at request of Chair: ☐ Yes ☒ NoLobbyist registered with Legislature: ☒ Yes ☐ No*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.****This form is part of the public record for this meeting.***

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12-5-17
Meeting Date

5B162
Bill Number (if applicable)

Topic Payment of Health Claims

Amendment Barcode (if applicable)

Name Joy Ryan

Job Title

Address 300 S. Duval St., Suite 410 Phone 425-4000
Street
City Tally State 32301 Zip

Email

Speaking: ☐ For ☒ Against ☐ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing AHIP

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: CS/SB 376

INTRODUCER: Banking and Insurance Committee and Senator Book and others

SUBJECT: Workers' Compensation Benefits for First Responders

DATE: December 6, 2017

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Johnson	Knudson	BI	Fav/CS
2.			CM	
3.			AP	
4.			RC	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 376 revises workers' compensation standards for determining benefits for employment-related mental or nervous injuries of law enforcement officers, firefighters, emergency medical technicians, paramedics, and first responders. This will generally increase the likelihood of compensability for workers' compensation indemnity benefits for mental nervous disorders of first responders delineated in s. 112.1815, F.S., or post-traumatic stress disorder of law enforcement officers, firefighters, emergency medical technicians, or paramedics described in s. 440.093, F.S.)

Posttraumatic stress disorder (PTSD) is a psychiatric disorder that can occur in people who have experienced or witnessed a traumatic event such as a natural disaster, a serious accident, a terrorist act, war, combat, or rape or other violent personal assault. A diagnosis of PTSD requires direct or indirect exposure to an upsetting traumatic event.

Currently, for non-first responders, a mental or nervous injury must be accompanied by a physical injury requiring medical treatment to be compensable under the workers' compensation law in ch. 440, F.S. Therefore, the physical injury must be severe enough to warrant such treatment in order for any psychiatric injury to be compensable. Section 112.1815, F.S., currently provides that the physical injury requirement for compensability of mental or nervous injuries does not apply to first responders for the payment of medical benefits, but a compensable physical injury is required for a first responder to recover indemnity benefits.

The bill revises eligibility and benefits for mental and nervous injuries involving first responders and occurring as a manifestation of a compensable injury, as provided in s. 112.1815, F.S., by providing for the payment of indemnity as well as the current medical benefits for mental or nervous injuries unaccompanied by a physical injury. Such a mental or nervous disorder must be demonstrated by a preponderance of evidence. Currently, the evidentiary standard is clear and convincing evidence.

Further, the bill authorizes the payment of medical and indemnity benefits pursuant to ch. 440, F.S., to a law enforcement officer, firefighter, emergency medical technician, or paramedic who experiences PTSD unaccompanied by a physical injury if all of the following conditions are met:

- The mental or nervous injury resulted while the law enforcement officer, firefighter, emergency medical technician, or paramedic was acting within the scope of employment and the person witnessed a murder, suicide, fatal injury, or child death or arrived on a scene where mass casualty incident.
- The mental or nervous injury is demonstrated by a preponderance of evidence by a licensed psychiatrist to meet the criteria for PTSD as described in the fifth edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association.

The bill may have an indeterminate negative fiscal impact on state and local governments.

II. Present Situation:

Florida Workers' Compensation System

Employers are required to pay compensation or furnish benefits that are required under ch. 440, F.S., if an employee suffers an accidental compensable injury or death arising out of work performed in the course and the scope of the employment.¹ Generally, employers may secure coverage from an authorized carrier, qualify as a self-insurer,² or purchase coverage from the Workers' Compensation Joint Underwriting Association, the insurer of last resort.³

Workers' compensation is the injured employee's remedy for "compensable" workplace injuries.⁴ An accidental compensable injury must be the major contributing cause of any resulting injury, meaning that the cause must be more than 50 percent responsible for the injury as compared to all other causes combined, as demonstrated by medical evidence only.⁵ An injury or disease caused by a toxic substance is not an injury by accident arising out of employment unless there is clear and convincing evidence establishing that exposure to the specific substance caused the injury or diseases sustained by the employee.⁶

¹ Section 440.09(1), F.S.

² Section 440.38, F.S.

³ Section 627.311(5)(a), F.S.

⁴ "Compensable" means a determination by a carrier or judge of compensation claims that a condition suffered by an employee results from an injury arising out of and in the course of employment. s. 440.13(1)(d), F.S.

⁵ Section 440.09(1), F.S.

⁶ Section 440.02(1), F.S.

General Compensability for Mental or Nervous Injuries

Section 440.093, F.S., sets forth the conditions under which a mental or nervous injury is compensable. A mental or nervous injury due to stress, fright, or excitement only is not an injury by accident arising out of the employment. Mental or nervous injuries without an accompanying physical injury requiring medical treatment are not compensable. In addition, a physical injury resulting from a mental or nervous injury unaccompanied by a physical trauma requiring medical treatment is not compensable.

Further, s. 440.093, F.S., provides that mental or nervous injuries occurring as a manifestation of an injury compensable under ch. 440, F.S., must be demonstrated by clear and convincing medical evidence. The compensable physical injury must be the major contributing cause of the mental or nervous injury. The law also limits the duration of temporary benefits for a compensable mental or nervous injury to no more than 6 months after the employee reaches maximum medical improvement.

Injured workers are entitled to receive all medically necessary remedial treatment, care, and attendance, including medications, medical supplies, durable medical equipment, and prosthetics, for as long as the nature of the injury and process of recovery requires.⁷

Indemnity benefits only become payable to employees who are disabled for at least 8 days due to a compensable workplace injury.⁸ These benefits are generally payable at 66 2/3 percent of the employee's average weekly wage (AWW),⁹ up to the maximum weekly benefit established by law.¹⁰ Indemnity benefits fall into one of four categories: temporary partial disability, temporary total disability, permanent partial disability, and permanent total disability.

- Temporary partial disability and temporary total disability benefits are payable for up to a combined total of 260 weeks.¹¹
- Permanent partial disability benefits are payable as impairment income benefits that are provided for a variable number of weeks depending upon the value of the injured worker's permanent impairment rating pursuant to a statutory formula.¹²
- Permanent total disability benefits are payable until the age of 75, unless the work-related accident occurs after the worker's 70th birthday, then the benefit is paid for 5 years.¹³

Section 440.15(3), F.S., provides that permanent impairment benefits are limited for a permanent psychiatric impairment to one percent permanent impairment.

⁷ Section 440.13(2)(a), F.S.

⁸ Section 440.12(1), F.S.

⁹ An injured workers' average weekly wage is an amount equal to one-thirteenth of the total amount of wages earned during the 13 weeks immediately preceding the compensable accident pursuant to s. 440.14(1), F.S.

¹⁰ Section 440.15(1)-(4), F.S.

¹¹ Section 440.15(2) and (4), F.S. Section 440.15(2)(a), F.S., specify that temporary total disability benefits are payable for 104 weeks; however, the Florida Supreme Court has found this provision unconstitutional and the statute has reverted to 260 weeks of temporary total disability benefits pursuant to this case law. *Westphal v. City of St. Petersburg*, 194 So.3d 311 (Fla. Jun. 9, 2016). Section 440.15(4)(e), F.S., provides that temporary partial disability benefits; however, the 1st DCA applied the holding in *Westphal* to these benefits finding the limitation unconstitutional and reverted the limitation to the 260 weeks previously allowed. *Jones v. Food Lion, Inc.*, No. 1D15-3488, 2016 Fla. App. LEXIS 16710 (Fla. 1st DCA Nov. 9, 2016).

¹² Section 440.15(3), F.S.

¹³ Section 440.15(1), F.S.

First Responders' Compensability for Mental or Nervous Injuries

In 2007, the Legislature enacted significant changes in workers' compensation benefits for first responders that provide benefits and standards for determining benefits for employment-related accidents and injuries of first responders. A "first responder" is a law enforcement officer, as defined in s. 943.10, F.S.,¹⁴ a firefighter as defined in s. 633.102, F.S.,¹⁵ or an emergency medical technician or paramedic as defined in s. 401.23, F.S.,¹⁶ employed by state or local government.¹⁷ Further, a volunteer law enforcement officer, firefighter, or emergency medical technician or paramedic engaged by the state or a local government is considered a first responder of the state or local government.¹⁸

In regards to compensability for a mental or nervous injury involving a first responder, s. 112.1815, F.S.:

- Requires that a mental or nervous injury occurring as a manifestation of a compensable injury must be demonstrated by clear and convincing evidence.
- Authorizes the payment of only medical benefits in employment-related cases involving a mental or nervous injury without an accompanying physical injury requiring medical treatment.
- Prohibits the payment of indemnity benefits unless a physical injury arising out of injury as a first responder accompanies the mental or nervous injury.
- Provides that benefits for first responders are not subject to any limitation on temporary benefits under s. 440.93, F.S., or the one percent limitation on permanent psychiatric impairments benefits under s. 440.15, F.S.

State Survey of Compensability Laws for Workers' Compensation Mental Injuries

Often stress-related injuries do not result from a physical injury. These types of injuries are referred to as "mental-mental" injuries because they are caused by a purely mental stimulus that leads to a mental impairment, such as depression or post-traumatic stress disorder. This stimulus could be witnessing, but not being physically injured by, a particularly horrific accident, workplace incident, or crime scene.

¹⁴ "Law enforcement officer" means any person who is elected, appointed, or employed full time by any municipality or the state or any political subdivision thereof; who is vested with authority to bear arms and make arrests; and whose primary responsibility is the prevention and detection of crime or the enforcement of the penal, criminal, traffic, or highway laws of the state. This definition includes all certified supervisory and command personnel whose duties include, in whole or in part, the supervision, training, guidance, and management responsibilities of full-time law enforcement officers, part-time law enforcement officers, or auxiliary law enforcement officers but does not include support personnel employed by the employing agency.

¹⁵ "Firefighter" means an individual who holds a current and valid Firefighter Certificate of Compliance or Special Certificate of Compliance issued by the Division of State Fire Marshal within the Department of Financial Services pursuant to s. 633.408, F.S.

¹⁶ "Emergency medical technician" means a person who is certified by the Department of Health to perform basic life support pursuant to pt. III of ch. 401, F.S. "Paramedic" means a person who is certified by the Department of Health to perform basic and advanced life support pursuant to pt. III of ch. 401, F.S.

¹⁷ Ch. 2007-1, Laws of Fla.

¹⁸ Section 112.1815, F.S.

In 2017, the National Council on Compensation Insurance (NCCI) issued a report summarizing compensability for injuries¹⁹ in the United States.²⁰ Highlights of the study include:

- **Compensability for Mental-Mental Injuries:** 27 jurisdictions, including Florida, have statutory language expressly allowing compensation for nonphysical mental (mental-mental) injuries or stress in limited circumstances.²¹
- **Mental-Mental and Mental-Physical Exclusions:** Montana is the only state that specially denies compensability for both mental-physical and mental-mental injuries.
- **Personnel Actions:** 21 states specify that stress arising out of a personnel action is not compensable.

Another report noted that some states provide compensability for mental-mental injuries, but only if the stimulus is “unusual.”²² In those states, the term, “unusual,” generally means unusual for a typical person holding the particular job. Other states were noted that provide compensability for mental-mental injuries, but only if the mental stimulus is sudden.

Post-Traumatic Stress Disorder

The American Psychiatric Association provides diagnostic criteria for mental disorders, which includes post-traumatic stress disorder (PTSD) in its *Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition (DSM-5)*.²³ PTSD is a psychiatric disorder that can occur in people who have experienced or witnessed a traumatic event such as a natural disaster, a serious accident, a terrorist act, war, combat, rape, or other violent personal assault.²⁴ A diagnosis of PTSD requires exposure to an upsetting traumatic event. However, exposure could be indirect rather than first hand.²⁵ Symptoms generally begin within the first 3 months after the trauma, although there may be a delay of months or even years, before the criteria for the diagnosis are met.²⁶

The exact prevalence rate for PTSD is difficult to ascertain. According to the National Center for PTSD,²⁷ about 7 or 8 percent of the population will have PTSD at some point in their lives. About 8 million adults will have PTSD during a given year. About 10 percent of females develop PTSD during their lives compared with about 4 percent of males. The number of veterans with PTSD varies by service era. For example, about 15 percent of Vietnam veterans are diagnosed

¹⁹ Reference to mental injuries also includes mental impairments or disorders that are occupational diseases. The District of Columbia and Kansas laws do not expressly provide for compensation of mental injuries, but they do reference mental conditions and/or mental providers.

²⁰ NCCI, *Compensability for Workers' Compensation Mental Injuries* (2017) (on file with Senate Banking and Insurance Committee).

²¹ Typically, compensable mental-mental injuries must be considered extraordinary and the predominate or substantial contributing cause.

²² Donald DeCarlo and Roger Thompson, *Workers' Compensation Benefits for Post-Traumatic Stress Disorder*, Insurance Advocate (Jul. 24, 2017) (on file with Senate Banking and Insurance Committee).

²³ American Psychiatric Association, *Diagnostic and Statistical Manual of Mental Disorders*, (5th, 2013). Commonly referred to as DSM-5.

²⁴ See American Psychiatric Association, *What is Posttraumatic Stress Disorder?* (Jan. 2017) (on file with Senate Banking and Insurance Committee).

²⁵ *Id.*

²⁶ DSM-5, *supra*, note 25 at 276.

²⁷ National Center for PTSD, *How Common is PTSD?* Available at: <https://www.ptsd.va.gov/public/PTSD-overview/basics/how-common-is-ptsd.asp> (last viewed Dec. 2, 2017).

with PTSD at the time of the most recent study conducted in the late 1980s. It is estimated that 30 percent of Vietnam veterans have had PTSD in their lifetime. In contrast, about 12 percent of Gulf War veterans have PTSD in a given year.

The DSM-5²⁸ estimates approximately 8.7 percent of the U.S. population will develop PTSD in their lifetime. Twelve-month prevalence among U.S. adults is approximately 3.5 percent. The PTSD rates are higher among veterans and others whose employment increases the risk of traumatic exposure, such as police, firefighters, and emergency medical personnel. The highest rates (ranging from one third to more than one half of those exposed) are found among survivors of rape, military combat and captivity, and ethnically or politically motivated internment and genocide.

Although estimates vary across occupations and the general population, some studies indicate that first responders and other professionals who are exposed to potentially traumatic events in their workplace are four to five times more likely to develop PTSD compared to the general population.²⁹ A 2016 report estimated 20 percent of firefighters and paramedics had PTSD.³⁰ Preexisting mental health conditions may be exacerbated and new mental health conditions may occur due to extremely emotionally and physically demanding working conditions.³¹ A 2015 survey of 4,000 first responders found that 6.6 percent had attempted suicide, which is more than 10 times the rate in the general population.³² Concern has been expressed that first responders may underreport mental health conditions as a result of stigma associated with seeking treatment for those conditions.

2016 Pulse Shooting in Orlando, Florida

On June 12, 2016, 49 people were killed and at least 68 others were injured at a shooting at the Pulse nightclub in Orlando, Florida. The shooting has been characterized as one of the deadliest mass shootings in modern U.S. history.³³ One police officer was recently profiled who was diagnosed with post-traumatic stress disorder and has been out of work since shortly after the shooting.³⁴ The article noted that, while the City of Orlando Police Department was paying his full salary, Florida law did not require the employer to pay because workers' compensation compensability for PTSD must be accompanied by a physical injury, which the officer did not have.

²⁸ DSM-5, *supra*, note 25, at 276.

²⁹ *Psychological Trauma: Theory, Practice, and Policy* 2015, Vol. 7, No. 5, 500-506.

³⁰ EMS1.com News, *New study estimates 20 percent of firefighters and paramedics have PTSD* (Aug. 17, 2017) (on file with Senate Banking and Insurance Committee).

³¹ Johns Hopkins Public Health Preparedness Programs, *First Responders, Mental Health Services, and the Law* (Apr. 25, 2013) (on file with Senate Committee on Banking and Insurance Committee).

³² FireRescue News, *Increasing suicide rates among first responders spark concerns* (Mar. 19, 2017) (on file with Senate Committee on Banking and Insurance Committee).

³³ CBS News, *Report reveals dramatic new details from Orlando nightclub massacre*, (Apr. 14, 2017) available at <http://www.cbsnews.com/news/orlando-nightclub-shooting-report-reveals-new-details-inside-pulse/> (last viewed Dec. 1, 2017).

³⁴ Orlando Sentinel, *Proposed bills would cover first responders who have PTSD* (Feb. 27, 2017) (on file with Senate Committee on Banking and Insurance).

Florida Retirement System

The Florida Retirement System (FRS)³⁵ offers members a choice between the Pension Plan (a defined benefit plan) and the Investment Plan (a defined contribution plan). Generally, FRS membership is compulsory for employees filling a regularly established position in a state agency, county agency, state university, state college, or district school board with some limited exceptions. Participation by cities, municipalities, special districts, charter schools, and metropolitan planning organizations, although optional, is generally irrevocable after the election to participate is made. The five classes of membership are Regular Class, Senior Management Service Class, Special Risk Class, Special Risk Administrative Support Class, and Elected Officers' Class.

Special Risk Class of the FRS

The Special Risk Class is composed of state and local government employees who are employed in certain categories of law – enforcement officers, firefighting, criminal detention, and emergency medical care -- and meet the criteria to qualify for this class.³⁶ A person who is a member in the Special Risk Class may retire at an earlier age and is eligible to receive higher disability and death benefits than Regular Class members. In creating the Special Risk Class of membership within the FRS, the Legislature recognized that certain employees, as an essential function of their positions, must perform work that is physically demanding or that requires extraordinary agility and mental acuity.³⁷ The Legislature further found that, as persons in such positions age, they may not be able to continue performing their duties without posing a risk to the health and safety of themselves, the public and their coworkers.

Disability Benefits for Members of the FRS

The FRS provides disability benefits for its active members who are permanently, totally disabled from useful employment. The level of disability benefits an eligible disabled member is minimally entitled depends upon membership class, and whether the disabling injury or illness was job related. For Special Risk Class members retiring on or after July 1, 2000, the minimum in-line-of-duty disability benefit is 65 percent of average final compensation (AFC) as of the member's disability retirement date.

Section 121.091(4), F.S., provides that any FRS³⁸ member who is totally and permanently disabled due to a condition or impairment of health caused by an injury or illness (including tuberculosis, heart disease, or hypertension) is entitled to disability benefits. The disabling injury or illness must have occurred before the member terminated employment. If the injury or illness arises out of and in the actual performance of duty required by his job, the member is entitled to in-line-of-duty disability benefits.

³⁵ Florida Retirement System Pension Plan and Other State Administered Systems Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2016, available at http://www.myflorida.com/audgen/pages/pdf_files/2017-073.pdf (last viewed Apr. 11, 2017).

³⁶ Section 121.0515(1), F.S.

³⁷ *Id.*

³⁸ Members of both the FRS Pension Plan and the FRS Investment Plan are eligible for disability coverage.

There are several important differences in the laws applicable to disability benefits, depending on whether the disability is found to be due to an injury or illness “suffered in the line of duty”:

- *Eligibility* — A FRS member is eligible for in-line-of-duty disability benefits from his/her first day on the job. In contrast, the member must have 8 years of creditable service³⁹ before becoming disabled in order to receive disability retirement benefits for any disability occurring other than in the line of duty.
- *Burden of Proof* — Proof of disability is required, including certification by two Florida-licensed physicians that the member’s disability is total and permanent (i.e., that the member is prevented by reason of a medically determinable physical or mental impairment from engaging in gainful employment of any type). It is the responsibility of the applicant to provide such proof. Unless a legal presumption applies such as the one provided under s. 112.18, F.S., to qualify to receive the higher in-line-of-duty disability benefits, the member must also show by competent evidence that the disability occurred in the line of duty.
- *Chapter 175, F.S. plans* — Pension plans established pursuant to ch. 175, F.S., must provide a minimum line of duty benefit equal to the firefighter’s accrued retirement benefit, but no less than 42 percent of his or her average monthly salary at the time of disability. Disability occurs when an injured plan member is wholly prevented from rendering useful and efficient service as a firefighter and is likely to remain so in the opinion of the board of trustees, after the member has been examined by a duly qualified doctor, selected by the board. Local law plans may have enacted disability benefits that exceed the minimum requirements.

Existing In-Line-of-Duty Disability Presumptions

Section 112.18, F.S., establishes a presumption for state and local firefighters, law enforcement, correctional and correctional probation officers regarding determinations of job-related disability. This statute provides that certain diseases (tuberculosis, heart disease, and hypertension) acquired by these officers are presumed to have been suffered in the line of duty. This presumption in law has the effect of shifting from the employee to the employer the burden of proving by competent evidence that the disabling disease was not related to the person's employment.

Section 175.231, F.S., provides a similar presumption for firefighters in any municipality, special fire control district, chapter plan, local law municipality, local law special fire control district, or local law plan under ch. 175, F.S., whose death or disability is the result of tuberculosis, heart disease, or hypertension. Section 185.34, F.S., provides a similar presumption for municipal police officers’ pension plans.

Section 112.181, F.S., provides a presumption applicable to any emergency rescue or public safety worker, including a firefighter, that such employee qualifies for in the line of duty disability or death benefits if such disability or death is due to hepatitis, meningococcal meningitis, or tuberculosis.

³⁹ Until July 1, 2001, any member who joined the FRS on or after July 1, 1980, was required to complete 10 years of creditable service to qualify for disability benefits for a disability that was not job-related. Under current law, the 10-year service requirement has been reduced to 8 years.

Absent one of the existing presumptions, the FRS member has the burden of proof when claiming in the line of duty disability or death benefits. The employee must show by competent evidence that the death or disability occurred in the line of duty in order to receive the higher benefits.⁴⁰ If the employee or the employee's survivors cannot meet the burden of proof, the employee or the employee's survivors are entitled only to the lesser benefits available under regular death or disability benefits.

Death Benefits Available for FRS Members

The FRS currently provides death benefits for surviving spouses and/or eligible dependents of active members. Under s. 121.091(7), F.S., death benefits may be paid for an active member of the FRS Pension Plan who dies before retirement due to an injury or illness (including tuberculosis, heart disease, or hypertension). If the injury or illness arises out of and in the actual performance of duty required by the job, the member's surviving spouse and/or eligible dependent(s) are entitled to in-line-of-duty death benefits. There are important differences in the laws applicable to death benefits, depending on whether the death is found to be due to an injury or illness "suffered in the line of duty."

From the first day on the job, an FRS Pension Plan member is eligible for in-line-of-duty death benefits that will pay a minimum monthly benefit to a survivor equal to half the member's last monthly salary. If the deceased member would have been entitled to a higher retirement benefit based on service credit, the higher benefit would be payable to his/her spouse or eligible dependent(s). The survivor benefit for Special Risk Class members killed in the line of duty is 100 percent of the member's base pay at the time of death if the member's death occurs on or after July 1, 2013. Unless a legal presumption applies such as those provided under s. 112.18, F.S., the eligible beneficiary must show by competent evidence that the death occurred in the line of duty to qualify to receive the higher in-line-of-duty death benefits.

Local Government Pension Plans

Chapters 175 and 185, F.S., provide funding mechanisms for pension plans of municipal firefighters and police officers, respectively. Both chapters provide a uniform retirement system for firefighters and police officers and set standards for operating and funding of pension systems through a trust fund supported by a tax on insurance premiums. Most Florida firefighters and local law enforcement officers participate in these plans. To be considered totally and permanently disabled, charter plan employees must only be found disabled from rendering useful and efficient service as a firefighter or police officer.⁴¹ Under local law plans, the standards may vary for determining eligibility for disability retirement, death benefits, and the benefits paid, although all plans must abide by minimum standards established under ss. 175.351 and 185.35, F.S., respectively.

Mass Casualty Incident

The definition of "mass casualty incident," generally refers to an incident that overwhelms the local healthcare system, with a number of casualties that vastly exceeds the local resources and

⁴⁰ Sections 121.091(4)(c) and (7)(d), F.S.

⁴¹ Sections 175.191 and 185.18, F.S.

capabilities in a short period.⁴² Another source describes a mass casualty incident as an incident that produces multiple casualties such that emergency services, medical personnel, and referral systems within the catchment area cannot provide adequate and timely response and care without unacceptable mortality or morbidity.⁴³

The purpose of the *Florida Field Operations Guide* (FOG)⁴⁴ is to define the organizational plan to efficiently triage, treat, and transport victims of multiple/mass casualty incidents (MCIs). In addition, the FOG contains additional health and medical resources to manage a variety of incidents. This procedure is intended for incidents involving a number of injured that exceeds the capabilities of the first arriving unit. An MCI is categorized at different levels depending on the number of victims. The number of victims are based on the initial size-up, prior to triage. MCI Level 1 (5-10 victims), MCI Level 2 (11-20 victims), MCI Level 3 (21-100 victims), MCI Level 4 (101-1000 victims), MCI Level 5 (over 1,000 victims, or when regional resources are overwhelmed or exhausted).

III. Effect of Proposed Changes:

Section 1 amends s. 112.1815, F.S., to revise compensability standards of first responders for a mental or nervous injury occurring as a manifestation of a compensable injury. The section eliminates the prohibition on the payment of indemnity benefits unless a physical injury accompanies the mental or nervous injury. The bill lowers the evidentiary standard for compensability from clear and convincing evidence to a preponderance of the evidence. A preponderance of evidence is evidence that is of greater weight or more convincing than the evidence offered in opposition to it.⁴⁵ Current law provides that only medical benefits are payable for a mental or nervous injury of a first responder that is unaccompanied by a physical injury. Indemnity benefits are available only if the mental or nervous injury is accompanied by a physical injury.

Section 2 amends s. 440.093, F.S., to authorize the payment of medical and indemnity benefits to a law enforcement officer, firefighter, emergency medical technician, or paramedic who experiences PTSD that is not accompanied by a physical injury if certain conditions are met. Currently, for non-first responders, a mental or nervous injury is compensable if it is accompanied by a physical injury requiring medical treatment. Further, only medical benefits are payable to a first responder under s. 112.1815, F.S., for a mental or nervous injury that is unaccompanied by a physical injury. The bill provides that a law enforcement officer, firefighter, emergency medical technician, or paramedic would be entitled to receive workers' compensation benefits for PTSD, a mental or nervous injury, if all of the following conditions are met:

- The mental or nervous injury resulted while the employee was acting within the scope of employment as described in s. 440.091, F.S., and the employee witnessed or arrived on the scene of a murder, suicide, fatal injury, child death, or mass casualty incident.
- The mental or nervous injury is demonstrated by a preponderance of evidence by a

⁴² See Ben-Ishay *et al.* World Journal of Emergency Surgery (2016) 11:8.

⁴³ Dr. Lee Faulter, *Multiple Traumas: Where do I start?* (on file with the Senate Committee on Banking and Insurance).

⁴⁴ See Florida Division of Emergency Management, Florida Field Operations Guide (Oct. 2012), Rule 10B-197, F.A.C. available at <https://floridadisaster.org/FOG/chapter10B-MassCasualty.pdf> (last viewed Dec. 5, 2017).

⁴⁵ Black's Law Dictionary Fifth Edition, *Preponderance of Evidence*, pg. 1064 (1979).

licensed psychiatrist to meet the criteria for PTSD as described in the fifth edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association.

Section 3 provides the bill takes effect October 1, 2018.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

Article VII, s. 18(a) of the Florida Constitution provides, in pertinent part, that “no county or municipality shall be bound by any general law requiring such county or municipality to spend funds or take an action requiring the expenditure of funds unless the Legislature has determined that such law fulfills an important state interest and unless:

- The law requiring such expenditure is approved by two-thirds of the membership in each house of the legislature; or
- The expenditure is required to comply with a law that applies to all persons similarly situated, including state and local governments.

Although the bill does not contain an express finding that the law fulfills an important state interest, the bill does appear to apply to all first responders delineated under s. 112.1815, F.S., and specified law enforcement officers, firefighter, emergency medical technicians, and paramedics described in s. 440.093, F.S., similarly situated, including state agencies, school boards, community colleges, counties, municipalities, special districts, and private entities.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Lowering the compensability standards relating to mental nervous disorders for first responders as described in s. 112.1815, F.S., and for law enforcement officers,

firefighters, emergency medical technicians, and paramedics for PTSD as provided in s. 440.093, F.S., is expected to increase the number of compensable claims for these first responders, law enforcement, firefighters, paramedics, and emergency medical technicians. As a result, the first responders who have incurred a mental or nervous injury without an accompanying physical injury could receive access to indemnity benefits as well as the current medical benefits. Law enforcement officers, firefighters, emergency medical technicians, and paramedics covered under section 2 of the bill who have incurred such a PTSD without an accompanying physical injury and met other conditions could receive access to indemnity benefits as well as medical benefits.

The fiscal impact on private employers is indeterminate.

NCCI Analysis of SB 376⁴⁶

According to NCCI, the implementation of the initial filed version of SB 376 may have resulted in an indeterminate increase in system costs for law enforcement officer, firefighter, emergency medical technician, and paramedic classifications in Florida. However, the overall impact on workers' compensation costs was expected to be minimal, since the data reported to NCCI show that first responders represent approximately 2.2 percent of statewide losses in Florida. The 2.2 percent may be an underestimate for the total population of Florida workers, as many entities that employ law enforcement officers, firefighters, and emergency medical technicians are self-insured and do not report data to NCCI.

The ultimate system cost impact would be realized through future loss experience and reflected in subsequent NCCI rate filings in Florida. A minimal impact in this context is defined as an impact on overall system costs of less than 0.2 percent or approximately \$7 million.⁴⁷ The CS to SB 376 lowers the evidentiary standard for recovering benefits in a PTSD-related claim, which may increase the cost impact of the bill.

NCCI is unable to quantify the expected increase in the number of PTSD-related claims that would be entitled to indemnity benefits under SB 376. However, due to the high prevalence of PTSD among first responders, NCCI estimates that the increase in compensable PTSD-related claims could be significant for these occupational classifications.⁴⁸ If enacted, SB 376 could potentially result in increased litigation related to the confirmation of a PTSD diagnosis and the determination of whether the PTSD arose out of an activity performed within the course of employment. Any costs associated with increased litigation would be expected to exert upward pressure on overall workers' compensation system costs.

⁴⁶ NCCI, *Analysis of SB 376* (Oct. 19, 2017) (on file with Senate Banking and Insurance Committee).

⁴⁷ NCCI correspondence (Dec. 4, 2017) (on file with Senate Committee on Banking and Insurance).

⁴⁸ According to NCCI, although events leading to PTSD cannot be predicted with certainty, the incidence of PTSD is estimated to be significantly higher for first responders compared to the general population. According to the U.S. Department of Veterans Affairs, about 55 percent of the population will experience at least one trauma in their lives and, as a result, about 7-8 percent of the population will have PTSD at some point in their lives. In comparison, the National Center for Biotechnical Information (NCBI) concluded that the prevalence of PTSD among Emergency Medical Technicians (EMTs) is greater than 20 percent, and various sources have reported the prevalence of PTSD among firefighters to be in the 7 percent to 37 percent range.

C. Government Sector Impact:

The fiscal impact on state and local governments is indeterminate. State and local governments may incur higher claim costs for workers' compensation benefits of first responders, law enforcement officers, firefighters, emergency medical technicians, or paramedics contingent upon the frequency and severity of the claims. See NCCI *Analysis of SB 376* in Private Sector Impact, above.

The number of affected state and local government positions is indeterminate. According to the Department of Management Services (DMS), as of December 1, 2017, the total number of State Personnel System (SPS) employees in firefighter positions is 613 (out of 650 total positions) and the total number of SPS employees in Law Enforcement Officer positions is 4,342 (out of a total of 4,652 positions). This information does not include volunteers. According to the DMS, the SPS does not utilize Paramedic or Emergency Medical Technician classes, nor does it have volunteers perform firefighter or law enforcement duties.⁴⁹

Department of Agriculture and Consumer Services (DACS).⁵⁰ Since s. 112.1815, F.S., was enacted, the Florida Forest Service (FFS) and Office of Agricultural Law Enforcement (OALE) have not received any workers' compensation claims for mental-nervous injuries. An increase in annual claims from first responders is highly probable; however, the limited level of exposure by the employees of DACS to the scenarios and the requirements are likely to lessen the frequency of claims. A negative fiscal impact of unknown severity is likely. There are currently 211 special-risk positions in OALE and 589 in FFS that are first responder positions. The FFS has a volunteer program; however, only a small portion of the FFS volunteers are classified as firefighters.

Division of Risk Management/Department of Financial Services (DFS).⁵¹ Since the enactment of s. 112.1815, F.S., available records indicate that only one state employee has received medical benefits relating to a work-related mental condition without a physical injury. Assuming the frequency does not significantly increase, and using an average Florida indemnity cost of \$15,378 for all claims as calculated by NCCI, DFS indicates there is a potential for small increases in claims costs. A state employee that is unable to return to work due to the extent of his or her mental injuries could result in a much higher cost depending on his or her age and salary. According to DFS, there are 4,174 state employees classified as first responders.⁵² This number does not include volunteers or local government employees or volunteers.

⁴⁹ Department of Management Services correspondence (Dec. 1, 2017) (on file with the Senate Committee on Banking and Insurance).

⁵⁰ Department of Agriculture and Consumer Services, *Legislative Analysis of SB 376* (Dec. 1, 2017) (on file with the Senate Committee on Banking and Insurance).

⁵¹ Department of Financial Services, *Legislative Analysis of SB 376* (Oct. 11, 2017) (on file with the Senate Committee on Banking and Insurance).

⁵² Department of Financial Services correspondence (Dec. 4, 2017) (on file with the Senate Committee on Banking and Insurance).

Department of Highway Safety and Motor Vehicles (DHSMV).⁵³ The DHSMV has average \$73,500 in annual costs for injury-related workers' compensation benefits. There have not been any claims for mental or nervous injuries in recent years. If this bill is enacted, there could be an indeterminate, but possibly significant, increase in expenditures. The DHSMV has 1,974 FHP trooper positions, approximately 228 auxiliary volunteers and 50 reserve officers (volunteers). A reserve officer is a certified law enforcement officer appointed to serve without compensation and vested with the authority to bear arms and make arrests.

VI. Technical Deficiencies:

Florida Statutes do not define the term, "mass casualty incidence." A definition of this term in ch. 440, F.S., may reduce ambiguity and possible litigation as to what types of situations this term would cover.

It is unclear what positions or employment classifications are covered and what mental nervous disorders are compensable under the bill, which could lead to additional litigation and delays in receiving benefits. It is uncertain whether all volunteer, as well as employed, law enforcement, firefighters, emergency medical technicians, and paramedics acting within the course of employment as described in s. 440.091, F.S., who experience a mental or nervous disorder and are diagnosed with PTSD are covered under Section 2 of the bill. The term, 'first responders' is not defined or used in ch. 440, F.S. Section 112.1815, F.S., applies to first responders who are employees or volunteers who meet certain statutory definitions and conditions.

Section 1 provides that a mental nervous disorder involving a first responder and occurring as a manifestation of a compensable injury would be a compensable mental or nervous injury (medical as well as indemnity benefits) if the injury was demonstrated by a preponderance of evidence. Section 2 provides that PTSD is a compensable injury (medical and indemnity benefits) for law enforcement officers, firefighters, emergency medical technicians or paramedics if certain conditions are met. It is unclear whether the intent of the bill is to provide benefits for all mental or nervous disorders or only PTSD for first responders, law enforcement officers, firefighters, emergency medical technicians and paramedics.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 112.1815 and 440.093.

⁵³ Department of Highway Safety and Motor Vehicles, *Legislative Analysis of SB 376* (Dec. 1, 2017) (on file with the Senate Committee on Banking and Insurance).

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Banking and Insurance on December 5, 2017:

The CS:

- Lowers the evidentiary standard for compensability of mental nervous injuries of first responders, defined in s. 112.1815, F.S., from clear and convincing evidence to preponderance of evidence.
- Revises compensability requirements of law enforcement officer, firefighter, emergency medical technician, and paramedics for PTSD under ch. 440, F.S., in the following manner:
 - Requires that such an employee must have been acting within the course of employment and the person witnessed, or arrived at the scene of, a murder, suicide, fatal injury, child death, or mass casualty incident.
 - Eliminates the requirement that such an employee must initiate mental health treatment within 15 days after the incident.
 - Requires that the mental nervous injury of such an employee must be demonstrated by a preponderance of evidence, rather than a clear and convincing evidence, by a licensed psychiatrist to meet the criteria for PTSD as described in the *Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition*, published by the American Psychiatric Association.
- Changes the effective date of the bill from July 1 to October 1, 2017.

- B. **Amendments:**

None.



902814

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
12/05/2017	.	
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	.	

The Committee on Banking and Insurance (Book) recommended the following:

Senate Amendment (with title amendment)

Delete lines 36 - 109
and insert:
demonstrated by a preponderance of the ~~clear and convincing~~
~~evidence. For a mental or nervous injury arising out of the~~
~~employment unaccompanied by a physical injury involving a first~~
~~responder, only medical benefits under s. 440.13 shall be~~
~~payable for the mental or nervous injury. However, payment of~~
~~indemnity as provided in s. 440.15 may not be made unless a~~



902814

~~physical injury arising out of injury as a first responder~~
~~accompanies the mental or nervous injury.~~ Benefits for a first
responder are not subject to any limitation on temporary
benefits under s. 440.093 or the 1-percent limitation on
permanent psychiatric impairment benefits under s. 440.15(3)(c).

Section 2. Section 440.093, Florida Statutes, is amended to
read:

440.093 Mental and nervous injuries.—

(1) Except as provided in subsection (4):

(a) A mental or nervous injury due to stress, fright, or
excitement only is not an injury by accident arising out of the
employment.

(b) ~~Nothing in~~ This section may not shall be construed to
allow for the payment of benefits under this chapter for mental
or nervous injuries without an accompanying physical injury
requiring medical treatment.

(c) A physical injury resulting from mental or nervous
injuries unaccompanied by physical trauma requiring medical
treatment is shall not be compensable under this chapter.

(2) Except as provided in subsection (4), mental or nervous
injuries occurring as a manifestation of an injury compensable
under this chapter must shall be demonstrated by clear and
convincing medical evidence by a licensed psychiatrist meeting
criteria established in the most recent edition of the
Diagnostic and Statistical Manual of Mental Disorders published
by the American Psychiatric Association. Except as provided in
subsection (4), the compensable physical injury must be and
remain the major contributing cause of the mental or nervous
condition and the compensable physical injury as determined by



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reasonable medical certainty must be at least 50 percent responsible for the mental or nervous condition as compared to all other contributing causes combined. Compensation is not payable for the mental, psychological, or emotional injury arising out of depression from being out of work or losing employment opportunities, resulting from a preexisting mental, psychological, or emotional condition or due to pain or other subjective complaints that cannot be substantiated by objective, relevant medical findings.

(3) Subject to the payment of permanent benefits under s. 440.15, in no event shall temporary benefits for a compensable mental or nervous injury be paid for more than 6 months after the date of maximum medical improvement for the injured employee's physical injury or injuries, which shall be included in the period of 104 weeks as provided in s. 440.15(2) and (4). Mental or nervous injuries are compensable only in accordance with the terms of this section.

(4) A law enforcement officer, a firefighter, an emergency medical technician, or a paramedic is entitled to receive benefits under this chapter for a mental or nervous injury, whether or not such injury is accompanied by a physical injury requiring medical treatment, if:

(a) The mental or nervous injury resulted while the law enforcement officer, firefighter, emergency medical technician, or paramedic was acting within the course of his or her employment as described in s. 440.091 and the law enforcement officer, firefighter, emergency medical technician, or paramedic witnessed, or arrived at the scene of, a murder, suicide, fatal injury, child death, or mass casualty incident; and



902814

(b) The mental or nervous injury is demonstrated by a preponderance of the evidence by a licensed psychiatrist to meet the criteria for posttraumatic stress disorder as described in the Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition, published by the American Psychiatric Association.

Section 3. This act shall take effect October 1, 2018.

===== T I T L E A M E N D M E N T =====

And the title is amended as follows:

Delete lines 3 - 12

and insert:

first responders; amending s. 112.1815, F.S.; revising the evidentiary standard for demonstrating mental and nervous injuries of first responders; deleting certain limitations relating to workers' compensation benefits for first responders; amending s. 440.093, F.S.; providing that law enforcement officers, firefighters, emergency medical technicians, and paramedics are entitled to benefits under the Workers' Compensation Law for mental or nervous injuries, regardless of whether such injuries are accompanied by physical injuries requiring medical treatment, under specified circumstances; conforming provisions to changes made by the act; providing an effective date.

By Senator Book

32-00051A-18

2018376__

A bill to be entitled

An act relating to workers' compensation benefits for first responders; amending s. 112.1815, F.S.; deleting certain limitations relating to workers' compensation benefits for first responders; amending s. 440.093, F.S.; providing that law enforcement officers, firefighters, emergency medical technicians, and paramedics are entitled to benefits under the Workers' Compensation Law for mental or nervous injuries, whether or not such injuries are accompanied by physical injuries requiring medical treatment, under specified circumstances; providing an effective date.

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

Section 1. Paragraph (a) of subsection (2) of section 112.1815, Florida Statutes, is amended to read:

112.1815 Firefighters, paramedics, emergency medical technicians, and law enforcement officers; special provisions for employment-related accidents and injuries.—

(2) (a) For the purpose of determining benefits under this section relating to employment-related accidents and injuries of first responders, the following shall apply:

1. An injury or disease caused by the exposure to a toxic substance is not an injury by accident arising out of employment unless there is a preponderance of the evidence establishing that exposure to the specific substance involved, at the levels to which the first responder was exposed, can cause the injury or disease sustained by the employee.

Page 1 of 4

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

32-00051A-18

2018376__

2. Any adverse result or complication caused by a smallpox vaccination of a first responder is deemed to be an injury by accident arising out of work performed in the course and scope of employment.

3. A mental or nervous injury involving a first responder and occurring as a manifestation of a compensable injury must be demonstrated by clear and convincing evidence. ~~For a mental or nervous injury arising out of the employment unaccompanied by a physical injury involving a first responder, only medical benefits under s. 440.13 shall be payable for the mental or nervous injury. However, payment of indemnity as provided in s. 440.15 may not be made unless a physical injury arising out of injury as a first responder accompanies the mental or nervous injury.~~ Benefits for a first responder are not subject to any limitation on temporary benefits under s. 440.093 or the 1-percent limitation on permanent psychiatric impairment benefits under s. 440.15(3) (c).

Section 2. Section 440.093, Florida Statutes, is amended to read:

440.093 Mental and nervous injuries.—

(1) Except as provided in subsection (4):

(a) A mental or nervous injury due to stress, fright, or excitement only is not an injury by accident arising out of the employment.

(b) ~~Nothing in~~ This section may not shall be construed to allow for the payment of benefits under this chapter for mental or nervous injuries without an accompanying physical injury requiring medical treatment.

(c) A physical injury resulting from mental or nervous

Page 2 of 4

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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injuries unaccompanied by physical trauma requiring medical treatment ~~is shall not be~~ compensable under this chapter.

(2) Mental or nervous injuries occurring as a manifestation of an injury compensable under this chapter shall be demonstrated by clear and convincing medical evidence by a licensed psychiatrist meeting criteria established in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association. Except as provided in subsection (4), the compensable physical injury must be and remain the major contributing cause of the mental or nervous condition and the compensable physical injury as determined by reasonable medical certainty must be at least 50 percent responsible for the mental or nervous condition as compared to all other contributing causes combined. Compensation is not payable for the mental, psychological, or emotional injury arising out of depression from being out of work or losing employment opportunities, resulting from a preexisting mental, psychological, or emotional condition or due to pain or other subjective complaints that cannot be substantiated by objective, relevant medical findings.

(3) Subject to the payment of permanent benefits under s. 440.15, in no event shall temporary benefits for a compensable mental or nervous injury be paid for more than 6 months after the date of maximum medical improvement for the injured employee's physical injury or injuries, which shall be included in the period of 104 weeks as provided in s. 440.15(2) and (4). Mental or nervous injuries are compensable only in accordance with the terms of this section.

(4) A law enforcement officer, firefighter, emergency

32-00051A-18

2018376

medical technician, or paramedic is entitled to receive benefits under this chapter for a mental or nervous injury, whether or not such injury is accompanied by a physical injury requiring medical treatment, if:

(a) The mental or nervous injury resulted while the law enforcement officer, firefighter, emergency medical technician, or paramedic was acting within the course of his or her employment as described in s. 440.091 and the law enforcement officer, firefighter, emergency medical technician, or paramedic witnessed a murder, suicide, fatal injury, or child death or arrived on a scene where mass casualties were suffered;

(b) The law enforcement officer, firefighter, emergency medical technician, or paramedic begins mental health treatment within 15 days after the incident in paragraph (a) giving rise to the mental or nervous injury that occurred; and

(c) The mental or nervous injury is demonstrated by clear and convincing medical evidence by a licensed psychiatrist to meet the criteria for posttraumatic stress disorder as described in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders published by the American Psychiatric Association.

Section 3. This act shall take effect July 1, 2018.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Appropriations Subcommittee on the
Environment and Natural Resources, *Chair*
Appropriations
Appropriations Subcommittee on Health and
Human Services
Education
Environmental Preservation and
Conservation
Health Policy
Rules

SENATOR LAUREN BOOK

Democratic Leader Pro Tempore
32nd District

October 25, 2017

Chair Anitere Flores
Committee on Banking and Insurance
320 Knott Building
404 S. Monroe Street
Tallahassee, FL 32399-1100

Chair Flores,

I respectfully request that you place SB 376, relating to Workers' Compensation Benefits for First Responders, on the agenda of the Committee on Banking and Insurance at your earliest convenience.

Should you have any questions or concerns, please feel free to contact my office or me. Thank you in advance for your consideration.

Thank you,

A handwritten signature in cursive script that reads "Lauren Book".

Senator Lauren Book
Senate District 32

cc: James Knudson, Staff Director
Sheri Green, Administrative Assistant

REPLY TO:

- ☐ 967 Nob Hill Road, Plantation, Florida 33324 (954) 424-6674
- ☐ 202 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5032

Senate's Website: www.flsenate.gov

JOE NEGRON
President of the Senate

ANITERE FLORES
President Pro Tempore

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12/5/17
Meeting Date

376
Bill Number (if applicable)

902814
Amendment Barcode (if applicable)

Topic W.C. for First Responders

Name Megan Vila

Job Title _____

Address 19908 Jodi Dr
Street

Phone 813-731-7472

Lutz FL 33558
City State Zip

Email Vila.megan@hotmail.com

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing _____

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12/5/17

Meeting Date

376

Bill Number (if applicable)

902814

Amendment Barcode (if applicable)

Topic W.C. for First Responders

Name Josh Vandegrift

Job Title Firefighter / Paramedic

Address _____
Street

Phone _____

City

State

Zip

Email _____

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

The bill is amended

Representing _____

Appearing at request of Chair: ☐ Yes ☐ No

Lobbyist registered with Legislature: ☐ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12/5/17

Meeting Date

376

Bill Number (if applicable)

902814

Amendment Barcode (if applicable)

Topic WC First Responders

Name Amy Krulish

Job Title Widow, Founder of Firefighter Widow Foundation

Address 98 Ashby Landing Way

Street

St Augustine

City

FL

State

32086

Zip

Phone (719) 648-9273

Email akrulish@gmail.com

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

AK ~~as arranged~~

Representing _____

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12/5/17

Meeting Date

376

Bill Number (if applicable)

902814

Amendment Barcode (if applicable)

Topic WC FOR FIRST RESPONDERS

Name JESSICA REALIN

Job Title WIFE OF PULSE NIGHTCLUB FIRST RESPONDER GERRY REALIN

Address P.O. BOX 2148

Street

Phone 407-222-5215

NEW SMYRNA BEACH, FL, 32170

City

State

Zip

Email JESSICA.REALIN@gmail.com

Speaking: ☒ For ☐ Against ☒ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing _____

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12/5/17

Meeting Date

376

Bill Number (if applicable)

902814

Amendment Barcode (if applicable)

Topic Workers Comp for First Responders

Name Deborah Louise Ortiz

Job Title _____

Address 5044 Deltona Blvd

Street

Spring Hill Florida 34606

City

State

Zip

Phone 917-6801953

Email Code9project@aol.com

Speaking: ☒ For ☐ Against ☒ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing _____

Appearing at request of Chair: ☐ Yes ☐ No

Lobbyist registered with Legislature: ☐ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12-5-2017

Meeting Date

376

Bill Number (if applicable)

902814

Topic WC FIRST RESPONDERS

Amendment Barcode (if applicable)

Name DAVID STERN

Job Title RETIRED ORLANDO FIREMAN

Address 1330 MARTIN BLVD

Street

Phone 321-210-9775

ORLANDO MERRITT ISLAND FL 32952

City

State

Zip

Email 0629027@gmail.com

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing AS AMENDED

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12/5/17
Meeting Date

376
Bill Number (if applicable)

908214
Amendment Barcode (if applicable)

Topic WC First Resp

Name Deborah L Ortiz

Job Title Code 9 Project Co-funder / wife of officer

Address 5044 DeHana Blvd

Street

Spring Hill, FL 34606

City

State

Zip

Phone 917 680 1953

Email Code9project@aol.com

Speaking: ☐ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing _____

Appearing at request of Chair: ☐ Yes ☐ No

Lobbyist registered with Legislature: ☐ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

DEC. 5, 2017
Meeting Date

376
Bill Number (if applicable)

902814
Amendment Barcode (if applicable)

Topic FIRST RESPONDER PTSD

Name KEVIN ROUSE

Job Title FIREFIGHTER/EMT - MARINE OPS

Address _____
Street

NORTH PORT FL 34287
City State Zip

Phone 941-809-4322

KEVIN ROUSE 4 NORTH PORT
Email @GMAIL.COM

Speaking: ☐ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing _____

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date _____

376
Bill Number (if applicable)

Topic PTSD

Amendment Barcode (if applicable) _____

Name Lisa Henning

Job Title Director Legislative Affairs

Address 242 Office Plaza Dr
Street
Tallahassee FL 32305
City State Zip

Phone 850-766-8808

Email lptlegislative@ad.com

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Fraternal Order of Police

Appearing at request of Chair: ☐ Yes ☐ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Meeting Date _____

374

Bill Number (if applicable)

902814

Amendment Barcode (if applicable)

Topic PTSD

Name Lisa Henning

Job Title Director Legislative Affairs

Address 242 Office Plaza Dr

Phone _____

Street

Tallahassee

City

State

FL

Zip

32305

Email _____

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Fraternal Order of Police

Appearing at request of Chair: ☐ Yes ☐ No

Lobbyist registered with Legislature: ☐ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12/15/17
Meeting Date

376
Bill Number (if applicable)

908214
Amendment Barcode (if applicable)

Topic WC First Responders

Name Michael Gluchowski

Job Title Retired Trooper

Address 5044 Deltona Blvd
Street

Phone 917 680 1953

Spring Hill, FL 34606
City State Zip

Email Code9 project @ AOL.com

Speaking: ☐ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing _____

Appearing at request of Chair: ☐ Yes ☐ No

Lobbyist registered with Legislature: ☐ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12/5/17

Meeting Date

376

Bill Number (if applicable)

902814

Amendment Barcode (if applicable)

Topic WC FOR FIRST RESPONDERS

Name JOSHUA GRANADA

Job Title ENGINEER / PM

Address _____
Street

Phone _____

City

State

Zip

Email _____

Speaking: ☒ For ☐ Against ☒ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing _____

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

<u>Meeting Date</u>		<u>Bill Number (if applicable)</u>	
Topic	<u>PTSD</u>	<u>Amendment Barcode (if applicable)</u>	
Name	<u>OMAR BLANCO</u>		
Job Title	<u>PRESIDENT / AFF LOCAL 1403</u>		
Address	<u>8000 NW 21 ST</u>	Phone	<u>305-5258229</u>
<small>Street</small>			
<u>MIAMI</u>	<u>FL</u>	<u>33122</u>	Email <u>ob@local1403.org</u>
<small>City</small>	<small>State</small>	<small>Zip</small>	
Speaking: <input checked="" type="checkbox"/> For <input type="checkbox"/> Against <input type="checkbox"/> Information		Waive Speaking: <input type="checkbox"/> In Support <input type="checkbox"/> Against (The Chair will read this information into the record.)	
Representing <u>FIREFIGHTER OR MIAMI DANE</u>			
Appearing at request of Chair: <input type="checkbox"/> Yes <input type="checkbox"/> No		Lobbyist registered with Legislature: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12.05.17

Meeting Date

376

Bill Number (if applicable)

902814

Amendment Barcode (if applicable)

Topic PTSD for First Responders

Name Amanda Murdock

Job Title _____

Address 2416 47th Terrace

Street

Phone 772.360.6103

Vero Beach

City

FL

State

32966

Zip

Email _____

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing My husband, Stephen Murdock Jr.

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12-5-17

Meeting Date

376

Bill Number (if applicable)

902814

Amendment Barcode (if applicable)

Topic WC First Responders

Name Diana Sandell

Job Title Firefighter Widow

Address 24 NE 15th Ave

Street

Phone 951-815-4894

Pompano Bch

FL

33060

City

State

Zip

Email dianav99@yahoo.com

Speaking: ☒ For ☐ Against ☒ Information

Waive Speaking: ☐ In Support ☐ Against

(The Chair will read this information into the record.)

Representing The Bill As Amended
Captain Richard Sandell, Pompano Beach Fire Fighter

Appearing at request of Chair: ☐ Yes ☐ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12.5.17

Meeting Date

376

Bill Number (if applicable)

Topic

WC First Responders

Name

Leslie Dangertfield

Job Title

Firefighter Widow

Address

8081 Tumblestone Ct. #311

Street

Delray Beach, FL

City

State

33446

Zip

Phone

772.519.8860

Email

ldprinc@aol.com

Speaking:



For



Against



Information

Waive Speaking:



In Support



Against

(The Chair will read this information into the record.)

Representing

as amended
My husband's memory - David Dangerfield

Appearing at request of Chair:



Yes



No

Lobbyist registered with Legislature:



Yes



No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12/5/17

Meeting Date

376

Bill Number (if applicable)

Topic First Responders - Work Comp

Amendment Barcode (if applicable)

Name Rocco Salvatori

Job Title Firefighter

Address 343 W Madison St

Street

Phone 850 224 7333

Tallahassee

City

FL

State

32301

Zip

Email roccofish@verizon.net

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Florida Professional

Appearing at request of Chair: ☐ Yes ☐ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

DEC. 5, 2017
Meeting Date

376
Bill Number (if applicable)

Topic FIRST RESPONDER PTSD

Amendment Barcode (if applicable)

Name KEVIN ROUSE

Job Title FIREFIGHTER/EMT - MARINE OPS

Address 2518 RIDGEWOOD DR.
Street

Phone 941-809-4322

NORTH PORT FL 34287
City State Zip

KEVIN ROUSE 4 NORTH PORT
Email @GMAIL.COM

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

The bill as amended

Representing FIRST RESPONDERS

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12-05-2017

Meeting Date

376

Bill Number (if applicable)

Topic WC FIRST RESPONDERS

Amendment Barcode (if applicable)

Name DAVID STERN

Job Title RETIRED ORLANDO FIREMAN

Address 1330 MARTIN BLVD
Street

Phone 321-210-9775

MCGRITT ISLAND FL 32952
City State Zip

Email ofc19027@gmail.com

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

AS AMENDED

Representing _____

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12/5/2017

Meeting Date

376

Bill Number (if applicable)

Topic W.C. for First Responders

Amendment Barcode (if applicable)

Name Ed Benoway

Job Title (step-father) Stevie LaDuc

Address 1233 Fox Chapel Dr

Street

Phone 813 908-2139

Lutz

FL

City

State

Zip

Email Benoway@AOL.com

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

The bill as amended

Representing _____

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12/5/17
Meeting Date

376
Bill Number (if applicable)

Topic W.C. for First Responders

Amendment Barcode (if applicable)

Name Josh Vandegrift

Job Title Firefighter/Paramedic

Address _____
Street

Phone _____

City

State

Zip

Email _____

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Rep. Hasamonde
Representing _____

Appearing at request of Chair: ☐ Yes ☐ No

Lobbyist registered with Legislature: ☐ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

12/5/17

Meeting Date

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

376

Bill Number (if applicable)

Topic

WC First Responders

Amendment Barcode (if applicable)

Name

Megan Vila

Job Title

Address

19908 Jodi Dr

Street

Phone

813-731-7472

City

Lutz

State

FL

Zip

33558

Email

Vila, Megan@hotmail.com

Speaking:

☒

For

☐

Against

☐

Information

Waive Speaking:

☐

In Support

☐

Against

(The Chair will read this information into the record.)

Representing

The bill as amended

Appearing at request of Chair:

☐

Yes

☒

No

Lobbyist registered with Legislature:

☐

Yes

☒

No

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S-001 (10/14/14)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12/5/17
Meeting Date

376
Bill Number (if applicable)

Topic WC First Responders

Amendment Barcode (if applicable)

Name Amy Kralish

Job Title Founder of Firefighter Widow Foundation

Address 98 Ashby Landing Way Phone 719-648-9273
Street

St Aug FL 32086 Email akralish@gmail.com
City State Zip

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing as amended

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12-5-17

Meeting Date

376

Bill Number (if applicable)

Topic

W.C. Gov 1st Responders

Amendment Barcode (if applicable)

Name

Stephen A. LaDuc

Job Title

Address

18919 Crescent Rd

Phone

507-358-9728

Street

Odessa

SI

State

33556

Zip

Email

Speaking:

☒

For

☐

Against

☐

Information

Waive Speaking:

☐

In Support

☐

Against

(The Chair will read this information into the record.)

Representing

The bill as amended

Appearing at request of Chair:

☐

Yes

☒

No

Lobbyist registered with Legislature:

☐

Yes

☒

No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

12/5/17

Meeting Date

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

376

Bill Number (if applicable)

Topic WC FOR FIRST RESPONDERS

Amendment Barcode (if applicable)

Name JOSHUA GRANADA

Job Title _____

Address _____

Street

Phone _____

City

State

Zip

Email _____

Speaking: ☒ For ☐ Against ☒ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing _____

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12/5/17
Meeting Date

376
Bill Number (if applicable)

Topic Workers Comp.

Amendment Barcode (if applicable)

Name David Cruz

Job Title Legislative Counsel

Address P.O. Box 1757
Street

Phone 701-3078

Tallahassee FL 32302
City State Zip

Email DCRUZ@flcities.com

Speaking: ☐ For ☒ Against ☐ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Florida League of Cities

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12/5/2017

Meeting Date

374

Bill Number (if applicable)

Topic Workers Compensation Benefits for 1st Responders

Amendment Barcode (if applicable)

Name Matt Puckett

Job Title Lobbyist

Address 300 East Brevard St.
Street

Phone _____

Tallahassee
City

FL
State

32301
Zip

Email _____

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Florida Police Benevolent Association

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12/5/17
Meeting Date

376
Bill Number (if applicable)

Topic WC First Responders

Amendment Barcode (if applicable)

Name Michael Gluchowski

Job Title Retired Trooper

Address 5044 Beltone Blvd
Street

Phone 917 680 1953

Spring Hill, FL 34606
City State Zip

Email Code9project@
AOL.COM

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

The bill as amended
Representing _____

Appearing at request of Chair: ☐ Yes ☐ No

Lobbyist registered with Legislature: ☐ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12-5-2017

Meeting Date

376

Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name Brian Pitts

Job Title Trustee

Address 1119 Newton Ave S
Street

Phone 727/847-9291

St Petersburg
City

FL
State

33705
Zip

Email justice2jesus@yahoo.com

Speaking: ☐ For ☐ Against ☒ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Justice-2-Jesus

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12/5/2017

Meeting Date

376

Bill Number (if applicable)

902814

Amendment Barcode (if applicable)

Topic W.C. for First Responders

Name Ed Benoway

Job Title (Step-father - Stenie LaDure)

Address 1233 Fox Chapel Dr

Street

Lutz

City

FL

State

33549

Zip

Phone 813 909-2139

Email Benoway@AOL.com

Speaking: ☐ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing _____

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

12-5-17

Meeting Date

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

376

Bill Number (if applicable)

902814

Amendment Barcode (if applicable)

Topic W.C. for 1st Reporters

Name Stephen A. LaDue

Job Title _____

Address 18919 Arosant Rd

Street

Odessa FL 33556

City

State

Zip

Phone 507-358-9728

Email _____

Speaking: ☐ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing _____

Appearing at request of Chair: ☐ Yes ☐ No

Lobbyist registered with Legislature: ☐ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: CS/SB 386

INTRODUCER: Banking and Insurance Committee and Senators Garcia and Taddeo

SUBJECT: Consumer Finance

DATE: December 5, 2017

REVISED: _____

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. <u>Matiyow</u>	<u>Knudson</u>	<u>BI</u>	<u>Fav/CS</u>
2. _____	_____	<u>CM</u>	_____
3. _____	_____	<u>RC</u>	_____

I. Summary:

CS/SB 386 allows consumer finance loans made pursuant to ch. 516, F.S., to be repaid in installments due every 2 weeks, semimonthly, or monthly. Under current law, only monthly installment payments are allowed. The bill requires that such a loan be repaid in periodic installments and the final payment may be less than the amount of the prior installments. The bill establishes the maximum delinquency charge for each payment in default at least 10 days depending on the number of scheduled payments in a month.

The bill provides an effective date of July 1, 2018.

II. Present Situation:

The Office of Financial Regulation (OFR) oversees the regulation of banks, credit unions, other financial institutions, finance companies, and the securities industry.¹ The OFR's Division of Consumer Finance (Division) "licenses and regulates non-depository financial service industries and individuals and conducts examinations and complaint investigations for licensed entities to determine compliance with Florida law."²

One of the loan products regulated by the Division is set forth in the Florida Consumer Finance Act, ch. 516, F.S. (the Act). Loans permitted under the Act are commonly referred to as "consumer finance loans" and are "loan[s] of money, credit, goods, or choses in action, including, except as otherwise specifically indicated, provision of a line of credit, in an amount or to a value of \$25,000 or less for which the lender charges, contracts for, collects, or receives interest at a rate greater than 18 percent per annum."³ Although consumer finance loans may be

¹ s. 20.121(3)(a)2., F.S.

² Office of Financial Regulation, FAST FACTS, 3 (4th ed. Dec. 2016), available at <http://www.flofr.com/StaticPages/documents/FastFacts.pdf>.

³ s. 516.01(2), F.S.

secured or unsecured, the Act prohibits lenders from taking a security interest in certain types of collateral.⁴

Consumer finance loans have a tiered interest rate structure such that the maximum interest rate allowed on each tier decreases as principle amounts increase:

- 30 percent per annum computed on the first \$3,000
- 24 percent per annum on principal above \$3,000 and up to \$4,000
- 18 percent per annum on principal above \$4,000 and up to \$25,000.⁵

Consumer finance loans made pursuant to the Act must be repaid in monthly installments as nearly equal as mathematically practicable.⁶

The original principal amount is the amount financed, as defined by the federal Truth in Lending Act (TILA)⁷ and TILA's federal implementing regulations.⁸ For the purpose of determining compliance with these statutory maximum interest rates, the interest rate computations used must be simple interest.⁹ In the event that two or more interest rates are applied to the principal amount of a loan,¹⁰ a lender may charge interest at a single annual percentage rate (APR) which would produce at maturity a total amount of interest that does not exceed the tiered interest rate structure above.¹¹ The APR charged by a lender may not exceed the APR that must be computed and disclosed according to TILA and its implementing regulations.¹² A licensee may not induce or permit a borrower to divide a loan and may not induce or permit a person to become obligated to the licensee under more than one loan contract for the purpose of obtaining a greater finance charge than would otherwise be permitted under the parameters described above.¹³

If consideration for a new loan contract includes the unpaid principal balance of a prior loan with the licensee, then the principal amount of the new loan contract may not include more than 60 days' unpaid interest accrued on the prior loan.¹⁴

The Act prohibits lenders from directly or indirectly charging borrowers additional fees as a condition to the grant of a loan, except for the following allowable fees:

- Up to \$25 for investigating the credit and character of the borrower;

⁴ See s. 516.031(1), F.S. (prohibition on taking a security interest in land for a loan less than \$1,000); s. 516.17, F.S. (prohibition on assignment of, or order for payment of, wages given to secure a loan).

⁵ s. 516.031(1), F.S.

⁶ s. 516.36, F.S. This section does not apply to lines of credit.

⁷ Codified at 15 U.S.C. § 1601 *et seq.*

⁸ Currently, the statute references TILA's implementing regulations as "Regulation Z of the Board of Governors of the Federal Reserve System." s. 516.031(1), F.S. However, the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, H.R. 4173, 124 Stat. 1376-2223, 111th Cong. (July 21, 2010), commonly referred to as the "Dodd-Frank Act", transferred rulemaking authority for TILA to the Bureau of Consumer Financial Protection, effective July 21, 2011. See also Truth in Lending (Regulation Z), 76 Fed. Reg. 79768 (Dec. 22, 2011).

⁹ *Id.*

¹⁰ For example, on a principle amount of \$3,500, an interest rate of 30 percent per annum may be applied to \$3,000 of the principle amount, and an interest rate of 24 percent per annum may be applied to the remaining \$500 of the principal amount.

¹¹ s. 516.031(1), F.S.

¹² s. 516.031(2), F.S.

¹³ s. 516.031(4), F.S.

¹⁴ s. 516.031(5), F.S.

- A \$25 annual fee on the anniversary date of each line-of-credit account;
- Brokerage fees for certain loans, title insurance, and appraisals of real property offered as security;
- Intangible personal property tax on the loan note or obligation if secured by a lien on real property;
- Documentary excise tax and lawful fees for filing, recording, or releasing an instrument securing the loan;
- The premium for any insurance in lieu of perfecting a security interest otherwise required by the licensee in connection with the loan;
- Actual and reasonable attorney fees and court costs;
- Actual and commercially reasonable expenses for repossession, storing, repairing and placing in condition for sale, and selling of any property pledged as security;
- A delinquency charge of up to \$15 for each payment in default for at least 10 days, if agreed upon in writing before the charge is imposed; and
- A bad check charge of up to \$20.¹⁵

Optional credit property, credit life, and disability insurance may be provided at the borrower's expense via a deduction from the principal amount of the loan.¹⁶

Licenses granted under the Act are for a single place of business¹⁷ and must be renewed every 2 years.¹⁸ As of November 2017, there are 174 licensed consumer finance loan companies operating at 361 locations in Florida.¹⁹

The Act does not apply to persons doing business under state or federal laws governing banks, savings banks, trust companies, building and loan associations, credit unions, or industrial loan and investment companies.²⁰

III. Effect of Proposed Changes:

The bill permits consumer finance loans made pursuant to ch. 516, F.S., to be repaid in installments due every 2 weeks, semimonthly, or monthly, rather than only monthly under current law. The bill requires that such a loan be repaid in periodic installments and the final payment may be less than the amount of the prior installments. Lastly, the bill establishes the maximum delinquency charge for each payment in default at least 10 days;

- \$15 per default if one payment is due in a month.
- \$7.50 per default if two payments are due in a month.
- \$5.00 per default if three payments are due in a month.

¹⁵ s. 516.031(3), F.S.

¹⁶ s. 516.35(2), F.S.

¹⁷ ss. 516.01(1) and 516.05(3), F.S.

¹⁸ ss. 516.03(1) and 516.05(1)&(2), F.S.

¹⁹ Email from OFR staff (Nov. 29, 2017) (on file with the Senate Committee on Banking and Insurance).

²⁰ s. 516.02(4), F.S.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

Although the impact on the private sector is indeterminate, the bill may have a positive effect on the default rate of loans made pursuant to the Act. One member of the industry who operates in multiple states conducted a test to determine the effect of placing borrowers on a monthly payment schedule rather than a biweekly or semimonthly payment schedule.²¹ Return customers with a low risk profile and high ability to repay were offered a singly monthly payment option instead of a payment schedule every 2 weeks.²² When compared to the default rate among customers on biweekly and semimonthly payment schedules, the customers who were placed on a monthly payment schedule had a default rate 25 percent higher.²³ The difference in default rate may have been even higher if all customers (including those with a higher risk profile and relatively lower ability to repay) had been placed on the monthly payment schedule.²⁴ If fewer defaults occur among borrowers who are placed on a payment schedule every 2 weeks or semimonthly, then the impact of the bill will be financially positive for both consumers and lenders.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

²¹ Email from representative of Oportun, (Nov. 17, 2017) (on file with the Senate Committee on Banking and Insurance).

²² *Id.*

²³ *Id.*

²⁴ *Id.*

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 516.031, 516.36

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Banking and Insurance on December 5, 2017:

The CS:

- Removed the term “approximately equal” and clarified loans are to be repaid in periodic installments.
- Established the maximum delinquency charge for each payment in default at least 10 days depending on the number of scheduled payments in a month.
 - \$15 per default if one payment is due in a month.
 - \$7.50 per default if two payments are due in a month.
 - \$5.00 per default if three payments are due in a month.

B. Amendments:

None.



330726

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
12/05/2017	.	
	.	
	.	
	.	

The Committee on Banking and Insurance (Garcia) recommended the following:

Senate Amendment

Delete lines 48 - 67
and insert:

9. A delinquency charge ~~of up to \$15~~ for each payment in default for at least 10 days if the charge is agreed upon, in writing, between the parties before imposing the charge.

Delinquency charges may be imposed as follows:

a. For payments due monthly, the delinquency charge for a payment in default may not exceed \$15.



330726

11 b. For payments due semimonthly, the delinquency charge for
12 a payment in default may not exceed \$7.50.

13 c. For payments due every 2 weeks, the delinquency charge
14 for a payment in default may not exceed \$7.50 if two payments
15 are due within the same calendar month, and may not exceed \$5 if
16 three payments are due within the same calendar month.

17
18 Any charges, including interest, in excess of the combined total
19 of all charges authorized and permitted by this chapter
20 constitute a violation of chapter 687 governing interest and
21 usury, and the penalties of that chapter apply. In the event of
22 a bona fide error, the licensee shall refund or credit the
23 borrower with the amount of the overcharge immediately but
24 within 20 days after the discovery of such error.

25 Section 2. Section 516.36, Florida Statutes, is amended to
26 read:

27 516.36 ~~Monthly~~ Installment requirement.—Every loan made
28 pursuant to this chapter must ~~shall~~ be repaid in periodic
29 ~~monthly~~ installments as nearly equal as mathematically
30 practicable, except that the final payment may be less than the
31 amount of the prior installments. Installments may be due every
32 2 weeks, semimonthly, or monthly. This section does ~~shall~~ not

By Senator Garcia

36-00098B-18

2018386__

1 A bill to be entitled
 2 An act relating to consumer finance; amending s.
 3 516.031, F.S.; revising a provision relating to the
 4 maximum delinquency charge that may be charged for
 5 consumer finance loans; amending s. 516.36, F.S.;
 6 revising a requirement relating to installment
 7 repayments for consumer finance loans; providing an
 8 effective date.
 9
 10 Be It Enacted by the Legislature of the State of Florida:
 11
 12 Section 1. Paragraph (a) of subsection (3) of section
 13 516.031, Florida Statutes, is amended to read:
 14 516.031 Finance charge; maximum rates.—
 15 (3) OTHER CHARGES.—
 16 (a) In addition to the interest, delinquency, and insurance
 17 charges provided in this section, further or other charges or
 18 amount for any examination, service, commission, or other thing
 19 or otherwise may not be directly or indirectly charged,
 20 contracted for, or received as a condition to the grant of a
 21 loan, except:
 22 1. An amount of up to \$25 to reimburse a portion of the
 23 costs for investigating the character and credit of the person
 24 applying for the loan;
 25 2. An annual fee of \$25 on the anniversary date of each
 26 line-of-credit account;
 27 3. Charges paid for the brokerage fee on a loan or line of
 28 credit of more than \$10,000, title insurance, and the appraisal
 29 of real property offered as security if paid to a third party

Page 1 of 3

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

36-00098B-18

2018386__

30 and supported by an actual expenditure;
 31 4. Intangible personal property tax on the loan note or
 32 obligation if secured by a lien on real property;
 33 5. The documentary excise tax and lawful fees, if any,
 34 actually and necessarily paid out by the licensee to any public
 35 officer for filing, recording, or releasing in any public office
 36 any instrument securing the loan, which may be collected when
 37 the loan is made or at any time thereafter;
 38 6. The premium payable for any insurance in lieu of
 39 perfecting any security interest otherwise required by the
 40 licensee in connection with the loan if the premium does not
 41 exceed the fees which would otherwise be payable, which may be
 42 collected when the loan is made or at any time thereafter;
 43 7. Actual and reasonable attorney fees and court costs as
 44 determined by the court in which suit is filed;
 45 8. Actual and commercially reasonable expenses for
 46 repossession, storing, repairing and placing in condition for
 47 sale, and selling of any property pledged as security; or
 48 9. A delinquency charge of up to \$15 for each calendar
 49 month for each payment in default for at least 10 days if the
 50 charge is agreed upon, in writing, between the parties before it
 51 is imposed ~~imposing the charge~~.
 52
 53 Any charges, including interest, in excess of the combined total
 54 of all charges authorized and permitted by this chapter
 55 constitute a violation of chapter 687 governing interest and
 56 usury, and the penalties of that chapter apply. In the event of
 57 a bona fide error, the licensee shall refund or credit the
 58 borrower with the amount of the overcharge immediately but

Page 2 of 3

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36-00098B-18

2018386__

59 within 20 days after the discovery of such error.

60 Section 2. Section 516.36, Florida Statutes, is amended to
61 read:

62 516.36 ~~Monthly~~ Installment requirement.—Every loan made
63 pursuant to this chapter shall be repaid in approximately equal,
64 periodic ~~monthly~~ installments, except that the final payment may
65 be less than the amount of the prior installments. Installments
66 may be due every 2 weeks, semimonthly, or monthly as nearly
67 equal as mathematically practicable. This section does ~~shall~~ not
68 apply to lines of credit.

69 Section 3. This act shall take effect July 1, 2018.



The Florida Senate
State Senator René García
36th District

Please reply to:

☐ **District Office:**

1490 West 68 Street
Suite # 201
Hialeah, FL. 33014
Phone# (305) 364-3100

October 26, 2017

The Honorable Anitere Flores
Chair, Banking and Insurance Committee
320 Knott Building
404 S. Monroe Street
Tallahassee, FL 32399-1100

Dear Senator Flores,

Please have this letter serve as my formal request to have **SB 386: Consumer Finance** be heard during the next scheduled Banking and Insurance Committee Meeting. Should you have any questions or concerns, please do not hesitate to contact my office.

Sincerely,

A handwritten signature in black ink, appearing to read "René García".

State Senator René García
District 36

CC: James Knudson
Sheri Green

Committees: Children, Families, and Elder Affairs, Chair, Appropriations Subcommittee on Finance and Tax, Vice Chair, Appropriations Subcommittee on the Environment and Natural Resources, Appropriations Subcommittee on General Government, Banking and Insurance, Judiciary, Joint Administrative Procedures Committee.

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12-5-17
Meeting Date

386
Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name Ezra Garrett

Job Title Vice President Gov't. Affairs, ~~Opportun~~ Inc.

Address 1500 Seaport Blvd
Street

Phone 415-828-3224

Redwood City CA 94107
City State Zip

Email _____

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Opportun

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12-5-2017

Meeting Date

386

Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name Brian Pitts

Job Title Trustee

Address 1119 Newton Ave S.
Street

Phone 727/897-9291

St Peterburg FL 33705
City State Zip

Email justice2jesus@yahoo.com

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Justice-2-Jesus

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12/5/17
Meeting Date

386
Bill Number (if applicable)

Topic Consumer Finance

Amendment Barcode (if applicable)

Name Alice Vickers

Job Title A Horney

Address 623 Beard St.

Phone 850 556 3121

Tallahassee FL 32303

City State Zip

Email alievickers@flap.org

Speaking: ☒ For ☐ Against ☐ Information

Waive Speaking: ☒ In Support ☐ Against
(The Chair will read this information into the record.)

Representing FL Alliance for Consumer Protection

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☒ Yes ☐ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: SB 396

INTRODUCER: Senator Hukill and others

SUBJECT: Motor Vehicle Insurance Coverage for Windshield Glass

DATE: December 4, 2017

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Billmeier	Knudson	BI	Favorable
2.			CM	
3.			RC	

I. Summary:

SB 396 provides that an automobile insurance policy may require an inspection of a damaged windshield before the windshield repair or replacement is authorized by the insurer. Current law provides that the deductible provisions of an automobile insurance policy providing comprehensive or combined additional coverage do not apply to damage to a windshield covered under the policy. While current law does not prohibit insurers from requiring inspections, this bill affirmatively states that an insurer may require an inspection before authorizing windshield repair or replacement.

II. Present Situation:

Automobile Insurance

Automobile insurance consists of different types of insurance coverages. Personal injury protection or "PIP" coverage is required in Florida to cover injuries to the driver regardless of which party is at fault in an accident. Bodily injury liability coverage pays for damage that the insured causes to other drivers and passengers in an accident. Property damage liability coverage covers damage that the insured causes to the property of another individual. Collision coverage pays for damages to the insured automobile caused by a collision with another automobile. Comprehensive coverage generally pays for damages to the insured automobile, including damage to the windshield, caused by events other than a collision.

The "deductible" is the amount the insured must pay before the insurance company pays any amount. Section 627.7288, F.S. states:

The deductible provisions of any policy of motor vehicle insurance, delivered or issued in this state by an authorized insurer, providing comprehensive coverage or

combined additional coverage shall not be applicable to damage to the windshield of any motor vehicle covered under such policy.^{1,2}

Consumers who purchase the minimum coverage required by law do not have first-party coverage for windshield repair or replacement while consumers who purchase comprehensive coverage have coverage if a windshield is damaged or broken. Lenders often require borrowers to purchase comprehensive coverage so consumers who owe money on their vehicles will often qualify for windshield repair or replacement without a deductible.³

Windshield Replacement and Repair

Florida law does not contain insurer claim handling requirements specific to windshield claims. The claims are handled through the insurance contract. Current law does not prohibit an insurer from including an inspection requirement in policy forms.

Many Florida insurance carriers set up a network of providers that will provide windshield repair or replacement services at negotiated rates. If the insured uses one of these “in-network” providers, an insured windshield is repaired or replaced at no cost to the insured. Some glass shops do not participate in the insurer’s provider network. To claim benefits from an insured’s automobile insurer, the “out-of-network” shop often obtains an assignment of benefits from the insured. Florida law allows an insured to assign the benefits of his or her insurance policy to a third party, in this case, the out-of-network glass shop. The assignee glass shop can negotiate with the insurer and file a lawsuit against the insurance company if the two sides do not agree on the claim amount.⁴

Windshield Litigation

According to the Department of Financial Services,⁵ the number of auto glass lawsuits has increased in recent years:

Year Number of Lawsuits

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 YTD
Auto Glass	397	571	271	709	351	478	1,389	4,331	9,018	12,817	19,695	19,513

¹ Language similar to s. 627.7288, F.S., has been part of Florida law since 1979. *See* Ch. 79-241, Laws of Florida.

² At least seven other states have provisions prohibiting insurers from requiring a deductible for windshield claims or allow insureds to purchase a policy with no deductible for windshield claims.

³ Florida Department of Financial Services, *Automobile Insurance A Toolkit for Consumers*, <https://www.myfloridacfo.com/division/consumers/UnderstandingCoverage/Guides/documents/AutoToolkit.pdf> (last visited December 1, 2017).

⁴ Dale Parker and Brendan McKay, *Florida Auto Glass Claims: A Cracked System*, Trial Advocate Quarterly Fall 2016 (Westlaw Citation: 35 No. 4 Trial Advoc. Q. 20).

⁵ Data provided by the Department of Financial Services (on file with the Senate Committee on Banking and Insurance).

Section 627.428, F.S., allows the insured or the assignee to obtain attorney fees from the insurer if the insured or assignee obtains a judgment against an insurer.⁶ The statute does not allow an insurer that prevails in a case involving an insured or assignee to recover attorney fees.⁷ The purpose of the statute is to “discourage contesting of valid claims of insureds against insurance companies . . . and to reimburse successful insureds reasonably for their outlays for attorney’s fees when they are compelled to defend or to sue to enforce their contracts.”⁸

Some insurers argue that the increase in litigation is caused by the ability of some vendors to execute an assignment of benefits and recover attorney fees under s. 627.428, F.S. They allege that some vendors are obtaining an assignment of benefits from the insured and inflating the cost of the claim when they bill the insurance company.⁹ Insurers also believe that many windshield claims brought by assignees are fraudulent.¹⁰ In such cases, the insurer must determine whether to pay what it believes to be an inflated or fraudulent claim or pay its own attorneys to litigate the case and risk having to pay the other side’s attorney fees if it does not prevail.¹¹

Some auto glass vendors argue that litigation is necessary because insurers enter into agreements with preferred vendors and will not pay the “prevailing competitive price” for windshield repair or replacement. Instead, some vendors contend, insurers will only pay the price they pay to the preferred vendors and that litigation is necessary to force the insurers to pay the “prevailing competitive price” pursuant to the insurance policy language.¹²

III. Effect of Proposed Changes:

The bill provides that an automobile insurance policy may require an inspection of a damaged windshield before the windshield repair or replacement is authorized by the insurer. Current law does not prohibit the inclusion of inspection requirements in an insurance policy. This bill would affirmatively allow insurers to require an inspection before authorizing a windshield repair or replacement. The inspection may help to reduce or prevent fraud by allowing the insurer to verify that the windshield was actually damaged before authorizing repair or replacement.¹³

The effective date is July 1, 2018.

⁶ The Florida Supreme Court has recognized the right of assignees to obtain attorney fees under s. 627.428, F.S. (and its predecessor statute) since at least 1972. *See All Ways Reliable Building Maintenance, Inc. v. Moore*, 261 So.2d 131 (Fla. 1972). The First District Court of Appeal has recognized the right since at least 1961. *See Travelers Insurance Co. v. Tallahassee Bank and Trust Co.*, 133 So.2d 463 (Fla. 1st DCA 1961).

⁷ Insurers can recover attorney fees in some cases by using offers of judgment and proposals for settlements. *See* s. 768.79, F.S., and Fla.R.Civ.P. 1.442.

⁸ *Roberts v. Carter*, 350 So.2d 78, 79 (Fla. 1977).

⁹ One provider offers cash rebates and restaurant gift cards to customers “with qualifying insurance” for windshield repair or replacement. *See* <http://www.auto-glassamerica.com> (last accessed November 29, 2017).

¹⁰ *Government Employees Insurance Co. v. Clear Vision Windshield Repair, L.L.C.*, 2017 WL 1196438 (M.D. Florida March 29, 2017).

¹¹ Florida Justice Reform Institute, White Paper: *Restoring Balance in Insurance Litigation* (2015)(on file with the Senate Committee on Banking and Insurance).

¹² *See VIP Auto Glass, Inc. v. Geico General Insurance Co.*, 2017 WL 3712918 (M.D. Florida March 17, 2017) at p. 1. (discussing a class action lawsuit against Geico by VIP Auto Glass).

¹³ Office of Insurance Regulation, *SB 396 Agency Bill Analysis* (October 17, 2017)(on file with the Senate Committee on Banking and Insurance).

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

The fiscal impact is not known. It is not known how many additional insurers would implement inspection requirements or what the effect of those requirements might be.

C. Government Sector Impact:

The Office of Insurance Regulation does not anticipate a fiscal impact.¹⁴

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 627.7288 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

¹⁴ Office of Insurance Regulation, *SB 396 Agency Bill Analysis* (October 17, 2017)(on file with the Senate Committee on Banking and Insurance).

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.



144400

LEGISLATIVE ACTION

Senate

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House

The Committee on Banking and Insurance (Steube) recommended the following:

Senate Amendment (with title amendment)

Delete line 24

and insert:

windshield repair or replacement is authorized by the insurer.

An inspection required by an insurer must be performed by an

adjuster licensed in this state who is an employee of the

insured's insurer and must be performed within 24 hours after

the notice of claim unless the inspection will delay the

windshield repair or replacement to the detriment of the



144400

11 insured.
12
13 ===== T I T L E A M E N D M E N T =====
14 And the title is amended as follows:
15 Delete line 8
16 and insert:
17 replacement is authorized by the insurer; requiring
18 that such inspections be performed by certain
19 adjusters, and, except under certain circumstances,
20 within a specified timeframe; providing an



408714

LEGISLATIVE ACTION

Senate

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House

The Committee on Banking and Insurance (Bradley) recommended the following:

Senate Amendment to Amendment (144400) (with title amendment)

Delete lines 9 - 11

and insert:

notice of the claim, or the right to an inspection is waived.
However, an insurer may not require an inspection in any case
where windshield damage has demonstrably impacted the structural
integrity of the vehicle or where continued use of the vehicle
would be a violation of s. 316.610.



408714

11
12 ===== T I T L E A M E N D M E N T =====
13 And the title is amended as follows:
14 Delete lines 19 - 20
15 and insert:
16 adjusters and within a specified timeframe, or the
17 right to an inspection is waived; prohibiting insurers
18 from requiring inspections under certain
19 circumstances; providing an

By Senator Hukill

14-00443-18

2018396__

A bill to be entitled

An act relating to motor vehicle insurance coverage for windshield glass; amending s. 627.7288, F.S.; authorizing a motor vehicle insurance policy providing comprehensive or combined additional coverage to require an inspection of the damaged windshield of a covered motor vehicle before the windshield repair or replacement is authorized by the insurer; providing an effective date.

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

Section 1. Section 627.7288, Florida Statutes, is amended to read:

627.7288 Comprehensive coverage; ~~deductible not to apply to~~ motor vehicle windshield glass.—

(1) The deductible provisions of any policy of motor vehicle insurance, delivered or issued in this state by an authorized insurer, providing comprehensive coverage or combined additional coverage are ~~shall~~ not be applicable to damage to the windshield of any motor vehicle covered under such policy.

(2) A policy under this section may require an inspection of the damaged windshield of a covered motor vehicle before the windshield repair or replacement is authorized by the insurer.

Section 2. This act shall take effect July 1, 2018.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Education, *Chair*
Appropriations Subcommittee on the
Environment and Natural Resources, *Vice Chair*
Regulated Industries, *Vice Chair*
Agriculture
Environmental Preservation and Conservation
Health Policy
Transportation

JOINT COMMITTEE:

Joint Committee on Public Counsel Oversight

SENATOR DOROTHY L. HUKILL
14th District

October 26, 2017

The Honorable Anitere Flores
404 Senate Office Building
404 South Monroe Street
Tallahassee, FL 32399-1100

Re: Senate Bill 396 – Motor Vehicle Insurance Coverage for Windshield Glass

Dear Chairwoman Flores:

Senate Bill 396, relating to Motor Vehicle Insurance Coverage for Windshield Glass, has been referred to the Senate Committee on Banking and Insurance. I respectfully request that SB 396 be placed on the committee agenda at your earliest possible convenience.

Should you need any additional information, please do not hesitate to contact my office.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Dorothy L. Hukill".

Dorothy L. Hukill
State Senator, District 14

Cc: James Knudson, Staff Director, Senate Committee on Banking and Insurance
Sheri Green, Administrative Assistant, Senate Committee on Banking and Insurance

REPLY TO:

- ☐ 209 Dunlawton Avenue, Unit 17, Port Orange, Florida 32127 (386) 304-7630 FAX: (888) 263-3818
- ☐ 434 Delannoy Avenue, Suite 204, Cocoa, Florida 32922 (321) 634-3549
- ☐ 406 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5014

Senate's Website: www.flsenate.gov

JOE NEGRON
President of the Senate

ANITERE FLORES
President Pro Tempore

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: SB 660

INTRODUCER: Senator Brandes

SUBJECT: Florida Insurance Code Exemption for Nonprofit Religious Organizations

DATE: December 4, 2017

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Billmeier	Knudson	BI	Pre-meeting
2.			JU	
3.			RC	

I. Summary:

SB 660 amends Florida's statute governing health care sharing ministries to reflect changes in how the entities operate. A health care sharing ministry is a health care cost sharing arrangement among persons of similar and sincerely held beliefs, administered by a not-for-profit religious organization. Some health care sharing ministries act as a clearinghouse to allow one or more members to directly pay the medical expenses of another member. Other health care sharing ministries receive funds from members and use those funds to pay authorized medical expenses when members request payment. While these entities help participants pay for health care services, they are not insurance companies and are not regulated by the Office of Insurance Regulation. Participants in health care sharing ministries are exempt from the tax penalty for failure to obtain health insurance in federal law.

Current law limits participation in the health care sharing ministry to those who share the same religion. The bill allows participation by those who "share a common set of ethical or religious beliefs." The bill provides that the health care sharing ministry must provide for the financial or medical needs of a participant through contributions from other participants. Current law requires the health care sharing ministry must provide for financial or medical needs by direct payments from one participant to another. The bill allows direct payments but also allows payments from a fund to a participant.

The bill requires the health care sharing ministry to provide monthly to the participants the amount of qualified needs actually shared in the previous month. It also creates an annual audit requirement that does not exist in Florida law.

The bill requires a more extensive notice to participants that the health care sharing ministry is not an insurance company and no participant is required by law to assist others with medical expenses.

II. Present Situation:

Health Care Sharing Ministries

A health care sharing ministry is a health care cost sharing arrangement among persons of similar and sincerely held beliefs, administered by a not-for-profit religious organization.¹ Some health care sharing ministries act as a clearinghouse to allow one or more members to directly pay the medical expenses of another member. Other health care sharing ministries receive funds from members and use those funds to pay authorized medical expenses when members request payment. The first health care sharing ministry was established in 1981.²

Federal law defines a “health care sharing ministry” as an organization:

- Which is described in section 501(c)(3) and is exempt from taxation under section 501(a);
- Members of which share a common set of ethical or religious beliefs and share medical expenses among members in accordance with those beliefs and without regard to the State in which a member resides or is employed;
- Members of which retain membership even after they develop a medical condition;
- Which (or a predecessor of which) has been in existence at all times since December 31, 1999, and medical expenses of its members have been shared continuously and without interruption since at least December 31, 1999; and
- Which conducts an annual audit which is performed by an independent certified public accounting firm in accordance with generally accepted accounting principles and which is made available to the public upon request.³

Members of health care sharing ministries are exempt from the federal tax penalty for failing to have health insurance.⁴

Over the years, health care sharing ministries have been involved in litigation with state regulators over whether their services are “insurance” for purposes of state insurance codes.⁵ Florida created an exemption from the Insurance Code for nonprofit religious organizations in 2008.⁶ Accordingly, these entities are not regulated by the Office of Insurance Regulation.

Section 624.1265, F.S., sets forth the requirements for an exemption from the Florida Insurance Code for health care sharing ministries. The entity must be a nonprofit religious organization⁷ and must:

- Limit its participants to members of the same religion;

¹ See <https://www.alec.org/model-policy/health-care-sharing-ministries-tax-parity-act/> (last visited November 29, 2017).

² See Benjamin Boyd, *Health Care Sharing Ministries: Scam or Solution*, 26 J.L. & Health 219 (2013) at p. 229.

³ See 26 US Code 5000A(d)(2)(B)(ii).

⁴ See 26 US Code 5000A(2)(2)(B).

⁵ See Benjamin Boyd, *Health Care Sharing Ministries: Scam or Solution*, 26 J.L. & Health 219 (2013) pp. 233-239 (discussing regulatory issues between health care sharing ministries and various state regulators).

⁶ See ch. 2008-32, L.O.F.

⁷ The federal law uses “health care sharing ministry” while Florida law uses “nonprofit religious organization.” In this analysis, “nonprofit religious organization” will be used as it is defined in s. 624.1265, F.S., and has the same meaning as “health care sharing ministry.”

- Act as an organizational clearinghouse for information between participants who have financial, physical, or medical needs and participants who have the ability to pay for the benefit of those participants who have financial, physical, or medical needs;
- Provide for the financial or medical needs of a participant through payments directly from one participant to another participant; and
- Suggest amounts that participants may voluntarily give with no assumption of risk or promise to pay among the participants or between the participants.⁸

The nonprofit religious organization must provide each prospective participant in the organizational clearinghouse written notice:

- That the organization is not an insurance company;
- That membership is not offered through an insurance company; and
- That the organization is not subject to the regulatory requirements or consumer protections of the Florida Insurance Code.⁹

The nonprofit religious organization is allowed to establish the qualifications of participation relating to the health of a prospective participant.¹⁰ For example, a nonprofit religious organization could exclude persons with specified preexisting conditions. The nonprofit religious organization is allowed to cancel the membership of a participant when such participant indicates his or her unwillingness to participate by failing to make a payment to another participant for a period in excess of 60 days.¹¹ An individual participant may limit the financial or medical needs that may be eligible for payment.¹² The Florida statute is similar to 2008 model legislation created by the American Legislative Exchange Council (ALEC). In 2017, the ALEC promulgated updated model legislation.¹³

III. Effect of Proposed Changes:

The bill amends s. 624.1265, F.S., to conform the statute to the 2017 ALEC “Health Care Sharing Ministries Freedom to Share Act,” or model act. Current law limits participation in the nonprofit religious organization to those who share the same religion. The bill allows participation by those who “share a common set of ethical or religious beliefs.” This change will allow participants from different religions to participate in the same nonprofit religious organization. This change will also make the language in Florida law the same as language in the federal law.

Currently, s. 624.1265, F.S., provides that the nonprofit religious organization must act as an organizational clearinghouse for information between participants who have financial, physical, or medical needs and participants who have the ability to pay for the benefit of those participants. The bill replaces “organizational clearinghouse” with “facilitator” and provides that the nonprofit religious organization must act as a facilitator among participants who have

⁸ See s. 624.1265(1), F.S.

⁹ See s. 624.1265(3), F.S.

¹⁰ See s. 624.1265(2), F.S.

¹¹ *Id.*

¹² *Id.*

¹³ See <https://www.alec.org/model-policy/health-care-sharing-ministries-freedom-to-share-act/> (last accessed November 30, 2017).

financial or medical needs¹⁴ to assist those with financial or medical needs in accordance with criteria established by the nonprofit religious organization. This change conforms the Florida law to the model act.

The bill provides that the nonprofit religious organization must provide for the financial or medical needs of a participant through contributions from other participants. Current law requires the nonprofit religious organization must provide for financial or medical needs by direct payments from one participant to another. The bill allows direct payments but also allows payments from a fund to a participant.

The bill requires the nonprofit religious organization to provide monthly to the participants the amount of qualified needs actually shared in the previous month.

The bill creates an annual audit requirement that does not exist in Florida law.¹⁵ It requires the nonprofit religious organization to conduct an annual audit that is performed by an independent certified public accounting firm in accordance with generally accepted accounting principles and that is made available to the public by providing a copy upon request or by posting on the nonprofit religious organization's website.

The bill amends the notice that the nonprofit religious organization must provide to participants. The notice required by the bill must read, in substance:

The organization facilitating the sharing of medical expenses is not an insurance company, and neither its guidelines nor plan of operation is an insurance policy. Whether anyone chooses to assist you with your medical bills will be totally voluntary because no other participant is compelled by law to contribute toward your medical bills. As such, participation in the organization or a subscription to any of its documents should never be considered to be insurance. Regardless of whether you receive any payments for medical expenses or whether this organization continues to operate, you are always personally responsible for the payment of your own medical bills.

The bill takes effect July 1, 2018.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

¹⁴ Section 624.1265, F.S., uses “financial, physical, or medical” needs. The bill eliminates “physical” from the statute. It is not clear whether removing “physical” from the statute makes a substantive change. The model act and similar laws from other states do not include it.

¹⁵ The audit requirement of the bill is contained in current federal law and the model act.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

The fiscal impact on the private sector is not known.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 624.1265 of the Florida Statutes.

IX. Additional Information:

A. Committee Substitute – Statement of Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

By Senator Brandes

24-00834-18

2018660

A bill to be entitled

An act relating to the Florida Insurance Code exemption for nonprofit religious organizations; amending s. 624.1265, F.S.; revising criteria under which a nonprofit religious organization that facilitates the sharing of contributions among its participants for financial or medical needs is exempt from requirements of the code; revising construction; revising requirements for a notice provided by the organization; providing an effective date.

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

Section 1. Section 624.1265, Florida Statutes, is amended to read:

624.1265 Nonprofit religious organization exemption; authority; notice.—

(1) A nonprofit religious organization is not subject to the requirements of the Florida Insurance Code if the nonprofit religious organization:

(a) Qualifies under Title 26, s. 501 of the Internal Revenue Code of 1986, as amended;

(b) Limits its participants to those members who share a common set of ethical or religious beliefs of the same religion;

(c) Acts as a facilitator among an organizational clearinghouse for information between participants who have financial, physical, or medical needs to assist those with financial or medical needs in accordance with criteria established by the nonprofit religious organization and

Page 1 of 4

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24-00834-18

2018660

~~participants who have the ability to pay for the benefit of those participants who have financial, physical, or medical needs;~~

(d) Provides for the financial or medical needs of a participant through contributions from other participants;
~~payments directly from one participant to another participant;~~
and

(e) Provides amounts that participants may contribute, with no assumption of risk and no promise to pay:

1. Among the participants; or

2. By the nonprofit religious organization to the participants;

(f) Provides monthly to the participants the total dollar amount of qualified needs actually shared in the previous month in accordance with criteria established by the nonprofit religious organization; and

(g) Conducts an annual audit that is performed by an independent certified public accounting firm in accordance with generally accepted accounting principles and that is made available to the public by providing a copy upon request or by posting on the nonprofit religious organization's website suggests amounts that participants may voluntarily give with no assumption of risk or promise to pay among the participants or between the participants.

(2) This section does not prevent:

(a) The organization described in subsection (1) from acting as a facilitator among participants who have financial or medical needs to assist those with financial or medical needs in accordance with criteria established by the organization;

Page 2 of 4

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

24-00834-18

2018660

~~establishing qualifications of participation relating to the health of a prospective participant, does not prevent~~

~~(b) A participant from limiting the financial or medical needs that may be eligible for payment; or, and does not prevent~~

~~(c) The organization from canceling the membership of a participant when such participant indicates his or her unwillingness to participate by failing to make a payment to another participant for a period in excess of 60 days.~~

~~(3) The nonprofit religious organization described in subsection (1) shall provide a written disclaimer on or accompanying all applications and guideline materials distributed by or on behalf of the nonprofit religious organization. The disclaimer must read in substance: "Notice: The organization facilitating the sharing of medical expenses is not an insurance company, and neither its guidelines nor plan of operation is an insurance policy. Whether anyone chooses to assist you with your medical bills will be totally voluntary because no other participant is compelled by law to contribute toward your medical bills. As such, participation in the organization or a subscription to any of its documents should never be considered to be insurance. Regardless of whether you receive any payments for medical expenses or whether this organization continues to operate, you are always personally responsible for the payment of your own medical bills." each prospective participant in the organizational clearinghouse written notice that the organization is not an insurance company, that membership is not offered through an insurance company, and that the organization is not subject to the regulatory requirements or consumer protections of the Florida~~

Page 3 of 4

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

24-00834-18

2018660

~~Insurance Code.~~

Section 2. This act shall take effect July 1, 2018.

Page 4 of 4

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The Florida Senate

Committee Agenda Request

To: Senator Anitere Flores, Chair
Committee on Banking & Insurance

Subject: Committee Agenda Request

Date: February 17, 2017

I respectfully request that **Senate Bill #660**, relating to Foreclosure Proceedings, be placed on the:

- ☐ committee agenda at your earliest possible convenience.
- ☒ next committee agenda.

A handwritten signature in black ink, appearing to read "K. Passidomo", followed by a horizontal line.

Senator Kathleen Passidomo
Florida Senate, District 28

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: SB 678

INTRODUCER: Senator Gibson

SUBJECT: Renter Insurance

DATE: December 4, 2017

REVISED: _____

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. <u>Matiyow</u>	<u>Knudson</u>	<u>BI</u>	Favorable
2. _____	_____	<u>CA</u>	_____
3. _____	_____	<u>RC</u>	_____

I. Summary:

SB 678 requires a landlord of residential real property to provide notice in the rental agreement whether the tenant is required to obtain renters insurance, and if so, to specify the coverage required. If the rental agreement does not require renters insurance, the rental agreement must provide a statement regarding the benefit of purchasing renters insurance.

II. Present Situation:

Part II of ch. 83, F.S., titled "Florida Residential Landlord and Tenant Act," governs the relationship between landlords and tenants under a residential lease agreement. The Landlord and Tenant Act contains certain mandatory provisions and disclosures that a landlord must provide to a tenant or prospective tenant. Specifically, a landlord must disclose in writing or a lease agreement:

- Any required advance rent or security deposit.¹
- The name and address of the landlord or person authorized to receive notices and demands on the landlord's behalf.²
- Notice of the potential liquidated damages, if there is a liquidated damages provision in the lease.³
- A specific notice if the landlord has no liability for storing or disposing the tenant's personal property after the tenant surrenders the dwelling.⁴
- A specific warning of the health risks of radon gas and which also refers the tenant to the county health department for additional information.⁵

¹ Section 83.49, F.S.

² Section 83.50, F.S.

³ Section 83.595(4), F.S.

⁴ Section 83.67(5), F.S.

⁵ Section 404.056(4), F.S.

Renters insurance, sometimes referred to as tenants insurance, includes three basic types of protection. The basic types of protection are for personal possessions, liability, and additional living expenses.⁶ Standard renters insurance policies protect personal belongings against damage from fire, smoke, lightning, vandalism, theft, explosion, windstorm, water, and other disasters listed in the policy. With respect to personal liability, standard renters insurance policies provide liability protection against lawsuits for bodily injury or property damage that the insured or the insured's family members cause to other people. It also pays for damages caused by pets to others in the home. Finally, standard renters insurance policies cover additional living expenses. If the tenant's home is destroyed by a disaster, which is covered by the policy, renters insurance covers the additional costs incurred for the insured to reside elsewhere. Policies will generally reimburse the difference between additional living expenses and normal living expenses. Additional living expenses cover hotel bills, temporary rentals, restaurant meals and other expenses incurred while the home is being rebuilt.

A 2016 Insurance Information Institute poll conducted by ORC International found that 95 percent of homeowners had homeowners insurance. Among renters, only 41 percent said they had renters insurance. However, this proportion has been increasing since the first time the question was asked in 2011, when 29 percent of renters said they had renters insurance.⁷

III. Effect of Proposed Changes:

The bill creates s. 83.491, F.S., to require that a landlord make one of two notices regarding renters insurance in the lease agreement:

- First, if renters insurance is required by the landlord, the rental agreement must specify the coverage amounts required and provide space for the tenant to initial.
- Second, if the landlord does not require the purchase of renters insurance, the rental agreement must include the following disclosure:
 - “The tenant is not required to obtain renters insurance; however, the tenant is strongly advised to obtain renters insurance to cover damage to or loss of personal property.”

The bill further provides that the failure to provide the notice does not create a private cause of action or nullify any part of the rental agreement.

The bill has an effective date of July 1, 2018, and applies to any residential lease entered into on or after January 1, 2019.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

⁶ Insurance Information Institute, *Renters Insurance*, at <https://www.iii.org/fact-statistic/facts-statistics-renters-insurance> (last visited Nov. 27, 2017).

⁷ *Id.*

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Landlords will need to provide one of two additional notices regarding renters insurance. If the landlord requires renters insurance, the notice must be signed by the tenant. This may result in increased attorney fees for the landlord because of the added documentation requirements. The landlord may see a benefit through fewer tenants attempting to recover the value of damaged or lost goods from the landlord.

Tenants may more often purchase renters insurance because they are notified of its existence. An increase in renters insurance policies will lead to reimbursement for lost or damages goods covered under a renters insurance policy.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The Real Property and Probate section of the Florida Bar drafts a standardized lease that includes all provisions required by state statute.⁸ The draft lease is reviewed and approved for use by the Supreme Court of Florida. The changes in the bill could require an updated standardized lease be drafted and approved.

VIII. Statutes Affected:

This bill creates section 83.491 of the Florida Statutes.

⁸ The Florida Bar, *Landlord Tenant Forms*, The Florida Bar, <https://www.floridabar.org/public/consumer/consumer004/> (last visited December 1, 2017).

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None

- B. **Amendments:**

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

By Senator Gibson

6-00577-18

2018678__

1 A bill to be entitled
 2 An act relating to renters insurance; creating s.
 3 83.491, F.S.; requiring a residential rental agreement
 4 to specify whether renters insurance is required;
 5 specifying provisions that must be included if
 6 insurance is or is not required; providing that
 7 failure to include a certain notice in a rental
 8 agreement does not create a private cause of action or
 9 nullify any part of the rental agreement; providing an
 10 effective date.
 11
 12 Be It Enacted by the Legislature of the State of Florida:
 13
 14 Section 1. Section 83.491, Florida Statutes, is created to
 15 read:
 16 83.491 Renters insurance.—A rental agreement entered into
 17 on or after January 1, 2019, must specify whether a tenant is
 18 required to obtain renters insurance and must provide a line in
 19 the agreement for the tenant's initials immediately following
 20 that provision.
 21 (1) If renters insurance is required, the rental agreement
 22 must specify the coverage required.
 23 (2) If renters insurance is not required, the rental
 24 agreement must provide a statement in substantially the
 25 following form: "The tenant is not required to obtain renters
 26 insurance; however, the tenant is strongly advised to obtain
 27 renters insurance to cover damage to or loss of personal
 28 property."
 29 (3) A failure to provide the notice in subsection (2) does

Page 1 of 2

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6-00577-18

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30 ~~not create a private cause of action and does not nullify any~~
 31 ~~part of the rental agreement under this part.~~
 32 Section 2. This act shall take effect July 1, 2018.

Page 2 of 2

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THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

SENATOR AUDREY GIBSON
6th District

COMMITTEES:

Military and Veterans Affairs, Space,
and
Domestic Security, *Chair*
Appropriations
Appropriations Subcommittee on
Transportation, Tourism, and
Economic
Development
Commerce and Tourism
Judiciary
Regulated Industries

JOINT COMMITTEE:

Joint Legislative Auditing Committee

November 17, 2017

Senator Anitere Flores, Chair
Committee on Banking and Insurance
320 Knott Building
404 South Monroe Street
Tallahassee, Florida 32399-1100

Chair Flores:

I respectfully request that SB 678, relating to residential tenant insurance policies, be placed on the next committee agenda.

SB 678, requires a residential agreement to advise that if renters insurance is not required, the renters' personal belongings will not be covered in the event of damage to their domicile unless they acquire renters insurance. With the recent hurricanes in our state, many are left with a huge unexpected, out of pocket expense because of not having this option of insurance coverage.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Audrey Gibson".

Audrey Gibson
State Senator
District 6

Attachment

101 E. Union Street, Suite 104, Jacksonville, Florida 32202 (904) 359-2553
405 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5006

Senate's Website: www.flsenate.gov

JOE NEGRON
President of the Senate

ANITERE FLORES
President Pro Tempore

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

12-5-2017

Meeting Date

678

Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name BRIAN PITTS

Job Title Trustee

Address 1119 Newton Ave S.
Street

Phone 727/897-9291

St. Petersburg FL 33705
City State Zip

Email justice2jesus@yahoo.com

Speaking: ☐ For ☐ Against ☒ Information

Waive Speaking: ☐ In Support ☐ Against
(The Chair will read this information into the record.)

Representing Justice-2-Jesus

Appearing at request of Chair: ☐ Yes ☒ No

Lobbyist registered with Legislature: ☐ Yes ☒ No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

This form is part of the public record for this meeting.

S-001 (10/14/14)

CourtSmart Tag Report

Room: EL 110
Caption: Senate Banking and Insurance

Case No.:
Judge:

Type:

Started: 12/5/2017 10:04:27 AM

Ends: 12/5/2017 12:00:30 PM

Length: 01:56:04

10:04:29 AM Call to order
10:05:03 AM Chair Steube has announcements
10:05:23 AM Senator Braynon for special introduction
10:05:36 AM Tab 7 - SB 678 by Senator Gibson
10:06:08 AM Senator Gibson for explanation of the bill
10:08:42 AM Questions?
10:08:46 AM Appearance Forms
10:08:57 AM Brian Pitts Justice 2 Jesus
10:11:36 AM Debate?
10:11:41 AM Senator Gibson to close
10:12:22 AM Roll call on SB 678-Renters Insurance
10:12:40 AM SB 678 reported favorably
10:12:47 AM Chair Flores has the chair
10:13:11 AM Tab 2 - 162 - by Senator Steube
10:13:19 AM Senator Steube for explanation
10:13:24 AM Questions?
10:13:35 AM Appearance forms
10:13:56 AM Wences Tronloro, FL Assoc of Health Plans
10:16:27 AM Brian Pitts waives in support
10:16:44 AM Brewster Bevis, Assoc Industries of Florida
10:17:20 AM Brewster Bevis, Assoc Industries of Florida
10:17:23 AM Mary Thomas, FL Medical Association
10:17:27 AM Steve Winn, FL Osteopathic Medical Association waives in support
10:17:34 AM Chris Nuland, American College of Physicians waives in support
10:17:50 AM Dr. Mark Lambert, FL Podiatry Association
10:18:59 AM Dorene Barker, AARP
10:19:06 AM Joy Ryan , AHIP waives against
10:19:22 AM Debate
10:19:29 AM Senator Steube waives close
10:19:37 AM Roll call on SB 162
10:19:59 AM Bill reported favorably
10:20:10 AM Tab 4 - SB 386 by Senator Garcia
10:20:15 AM Explanation of the bill
10:20:28 AM one amendment barcode 330726
10:20:35 AM Senator Garcia for explanation
10:21:06 AM Amendment adopted
10:21:12 AM Back on the bill
10:21:16 AM Appearance cards
10:21:23 AM Ezra Garrett, VP Oportun
10:21:26 AM Brian Pitts, Justice 2Jesus
10:21:31 AM Alice Vickers, FL Alliance for Consumer Protection
10:21:43 AM Debate?
10:21:49 AM Senator Garcia to close
10:21:59 AM Roll call on CS/SB 386
10:22:15 AM Bill is reported favorably
10:22:28 AM Tab 3 - SB 376 by Senator Book
10:22:36 AM Senator Book for explanation
10:22:57 AM Amendment barcode 902814 by Senator Book
10:23:11 AM Explanation of the amendment
10:25:59 AM Kevin Rouse, Firefighter
10:26:03 AM Lisa Henning, Director Legislative Affairs
10:26:14 AM Michael Gludnowski, Retired Trooper

10:26:23 AM	Joshua Granada, Firefighter
10:26:35 AM	Deborah Ortiz, Code 9 Project
10:26:42 AM	David Stern, Firefighter
10:26:54 AM	Amanada Murdock
10:27:00 AM	Jessica Renun
10:27:10 AM	Diana Sandell
10:27:15 AM	Leslie Dangerfield
10:27:19 AM	Amy Krulish, Firefighter Widow Foundation
10:27:24 AM	Josh Vandegrift, Firefighter
10:27:26 AM	Megan Vila
10:27:31 AM	Stephen A. LaDue
10:27:36 AM	Ed Benoway
10:27:50 AM	amendment adopted
10:27:58 AM	on the bill as amendmend
10:28:03 AM	Appearance cards
10:28:13 AM	Michael Glochowski
10:30:26 AM	Brian Pitts Justice 2 Jesus
10:32:24 AM	Matt Puckett
10:32:38 AM	David Cruz, FL League of Citites
10:36:02 AM	Senator Thurston for a question
10:36:47 AM	David Cruz for a response
10:36:58 AM	Follow up
10:38:34 AM	Joshua Granada
10:41:51 AM	Steven LaDue
10:47:53 AM	Megan Vila
10:54:30 AM	Amy Krulish
10:58:08 AM	Josh Vandergriff
11:00:02 AM	David Stern
11:02:34 AM	Ed Benoway
11:05:53 AM	Kevin Rouse
11:10:10 AM	Rocco Salvatori
11:11:07 AM	Leslie Dangerfield
11:17:27 AM	Diana Sandell
11:20:34 AM	Ms. Murdock
11:23:21 AM	Ms. Jessica Renun
11:26:09 AM	Omar Buanco
11:28:55 AM	BG Murphy, LAD
11:30:10 AM	Deborah Ortiz
11:32:15 AM	Debate?
11:32:24 AM	Senator Garcia in debate
11:34:58 AM	Senator Book to close
11:35:16 AM	Roll call on CS/SB 376
11:35:32 AM	Bill is reported favorably
11:35:58 AM	Tab 1 - SB 150 by Senator Lee
11:36:17 AM	Senator Lee for explanation of barcode 543534
11:41:33 AM	Questions on the amendment?
11:41:46 AM	Senator Braynon for a question
11:42:51 AM	Senator Lee for response
11:45:36 AM	Follow up
11:45:58 AM	Senator Lee for a response
11:47:44 AM	Senator Broxson for a question
11:49:40 AM	Senator Lee for a response
11:50:19 AM	Follow up
11:51:58 AM	Senator Garcia for a question
11:53:15 AM	Senator Lee for a response
11:54:43 AM	Follow up
11:56:45 AM	Senator Lee for response
11:58:17 AM	Series of questions and responses
11:59:56 AM	Chair Flores for final comments
12:00:23 PM	Senator Garcia moves we adjourn