

Tab 1 SB 150 by Lee; (Similar to CS/1ST ENG/H 00019) Motor Vehicle Insurance

543534	D	S	RCS	BI, Lee	Delete everything after	01/10 11:00 AM
762724	AA	S	RCS	BI, Lee	Delete L.14 - 520:	01/10 11:00 AM
296334	AA	S	WD	BI, Thurston	Delete L.889:	01/10 11:00 AM
596228	AA	S	RCS	BI, Garcia	btw L.1669 - 1670:	01/10 11:00 AM

Tab 2 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 3 SB 416 by Thurston; (Similar to CS/CS/H 00455) Governance of Banks and Trust Companies

945032	D	S		BI, Thurston	Delete everything after	01/09 08:15 AM
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Tab 4 SB 518 by Bean; (Similar to CS/H 00329) Motor Vehicle Insurance Coverage Exclusions

710292	A	S		BI, Thurston	Delete L.16 - 42:	01/10 08:50 AM
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Tab 5 SB 660 by Brandes; (Identical to H 01021) Florida Insurance Code Exemption for Nonprofit Religious Organizations

Tab 6 SPB 7010 by BI; OGSR/Payment Instrument Transaction Information/Office of Financial Regulation

Tab 7 SPB 7012 by BI; OGSR/Citizens Property Insurance Corporation Policyholder Eligibility Clearinghouse

The Florida Senate
COMMITTEE MEETING EXPANDED AGENDA

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

MEETING DATE: Wednesday, January 10, 2018

TIME: 9:00—10:30 a.m.

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 BI 01/10/2018 Fav/CS AHS AP	Fav/CS Yeas 10 Nays 1
2	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 BI 01/10/2018 Not Considered CM RC	Not Considered
3	SB 416 Thurston (Similar CS/H 455)	Governance of Banks and Trust Companies; Revising requirements relating to the financial institution experience of certain proposed directors and officers of a proposed bank or trust company; revising applicability of the residency requirement for directors of a bank or trust company, etc. BI 01/10/2018 Not Considered CM RC	Not Considered

COMMITTEE MEETING EXPANDED AGENDA

Banking and Insurance

Wednesday, January 10, 2018, 9:00—10:30 a.m.

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
4	SB 518 Bean (Similar CS/H 329)	Motor Vehicle Insurance Coverage Exclusions; Providing that private passenger motor vehicle policies may exclude certain identified individuals from specified coverages under certain circumstances; providing that such policies may not exclude coverage under certain circumstances, etc. BI 01/10/2018 Not Considered CM RC	Not Considered
5	SB 660 Brandes (Identical H 1021)	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 BI 01/10/2018 Favorable JU RC	Favorable Yeas 9 Nays 0
Consideration of proposed bill:			
6	SPB 7010	OGSR/Payment Instrument Transaction Information/Office of Financial Regulation; Amending provisions relating to an exemption from public records requirements for certain payment instrument transaction information held by the Office of Financial Regulation; removing the scheduled repeal of the exemption, etc.	Submitted and Reported Favorably as Committee Bill Yeas 11 Nays 0
Consideration of proposed bill:			
7	SPB 7012	OGSR/Citizens Property Insurance Corporation Policyholder Eligibility Clearinghouse; Amending provisions relating to an exemption from public records requirements for certain proprietary business information provided by insurers to the Citizens Property Insurance Corporation policyholder eligibility clearinghouse; removing the scheduled repeal of the exemption, etc.	Submitted and Reported Favorably as Committee Bill Yeas 11 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: CS/SB 150

INTRODUCER: Banking and Insurance Committee and Senator Lee

SUBJECT: Motor Vehicle Insurance

DATE: January 12, 2018

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Knudson	Knudson	BI	Fav/CS
2.			AHS	
3.			AP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/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 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 bill replaces the PIP coverage mandate with a medical payments (MedPay) coverage mandate of \$5,000. Medical payments coverage under the bill provides reimbursement for 100 percent of covered medical losses, whereas PIP reimburses only 80 percent of covered medical losses. Medical payments coverage will provide reimbursement for all of the following

medically necessary treatments if the injured individual initially receives treatment within 14 days after the motor vehicle accident:

- Emergency transport and treatment provided by a provider licensed under ch. 401, F.S.
- Emergency services and care provided by a hospital licensed under ch. 395, F.S.
- Emergency services and care and related hospital inpatient services rendered by a physician or dentist that are provided in a facility licensed under ch. 395, F.S.
- Hospital inpatient services other than emergency services and care.
- Hospital outpatient services other than emergency services and care.
- Physician services and care provided by a physician licensed under ch. 458, F.S., or ch. 459, F.S., or a chiropractic physician licensed under ch. 460, F.S., or dental services and care provided by a dentist licensed under ch. 466, F.S.

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 repeal of the No-Fault Law, the financial responsibility requirements for bodily injury, and the requirement to maintain medical payments coverage 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

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.

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

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;

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.

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.

- 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 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

¹⁹ Section 627.736(5)(a)3., F.S.

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.

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 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

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).

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. on 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).

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 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.

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).

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.

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 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

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.

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.

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, \$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

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.

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

Section 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 or operator of a motor vehicle registered 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:

- 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 registered in this state to insure all named insureds and any operator using the vehicle with the permission of the owner of the vehicle insured by the policy from liability resulting from the use of the motor vehicle referenced in the policy.

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.

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.

A certificate of self-insurance showing a deposit of cash must, beginning January 1, 2019, require a certificate of deposit equal to 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. Under **Section 22** of the bill, the proof of a certificate of deposit must be provided annually, and must be from a financial institution insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.

The second alternative method is obtaining a certificate of self-insurance issued by the DHSMV. **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 a combined single limit policy that provides BI liability and PD liability coverage with a limit of:

- At least \$50,000 beginning January 1, 2019, and continuing through December 31, 2020.

- At least \$60,000 beginning January 1, 2021, and continuing through December 31, 2022.
- At least a \$70,000 beginning January 1, 2023, and thereafter.

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., which provides the financial responsibility requirements for for-hire passenger 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. The bill amends current law by specifying the coverage must be purchased by an insurer that is a member of the Florida Insurance Guaranty Association.

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 struck 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. The coverage also includes a death benefit of at least \$5,000.

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.

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

The bill retains within MedPay the PIP requirement that an individual seeking reimbursement must receive initial services and care within 14 days of the motor vehicle accident from specified medical providers.⁵² The following medically necessary treatment, services and care are reimbursable under MedPay:

- Emergency transport and treatment by a provider licensed under ch. 401, F.S.
- Emergency services and care provided by a hospital licensed under ch. 395, F.S.
- Emergency services and care as defined in s. 395.002, F.S., provided in a facility licensed under ch. 395, F.S., and rendered by a physician or dentist, and related hospital inpatient services rendered by a physician or dentist.
- Hospital inpatient services, other than emergency services and care.
- Hospital outpatient services, other than emergency services and care.
- Physician services and care provided by a physician licensed under ch. 458, F.S., or ch. 459, F.S., or a chiropractic physician licensed under ch. 460, F.S., or dental services and care provided by a dentist licensed under ch. 466, F.S.

Medical Fee Schedule for MedPay Reimbursement

Medical payments coverage reimbursement contains a medical fee schedule that is similar to the fee schedule for PIP.⁵³ The primary difference is that whereas PIP reimbursed 80 percent of charges made under the fee schedule, MedPay reimburses 100 percent of such charges. 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.

The bill does not retain the provisions in the fee schedule that limits reimbursement for all other medical supplies, services, and care to 200 percent of the participating physician’s fee schedule of Medicare Part B, and details the reimbursement amounts for the following:

- 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.

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.

⁵³ See s. 627.7265(5)(a), F.S.

- Services, supplies, or care not reimbursable under Medicare Part B – 80 percent of the maximum reimbursement under workers’ compensation.
- Services, supplies, or care that are not reimbursable under Medicare or workers’ compensation – no reimbursement.

Failure to include this provision means that no fee schedule will apply to services and care provided by a licensed physician, a licensed chiropractic physician, or for dental services and care provided by a dentist licensed under ch. 466, F.S., unless those services and care are specified in the fee schedule.

The bill specifies the applicable fee schedules under Medicare and workers’ compensation that are the basis of the MedPay fee schedule. Insurers may not limit the number of treatments or impose other utilization limits that apply under Medicare or workers’ compensation.

Providers of medical care may not balance bill insureds when reimbursement is limited by the fee schedule, except for amounts not covered because of MedPay policy limits.

Insurers that limit reimbursement under the fee schedule must include a notice with the insurance policy at the time of issuance or renewal that the insurer may limit payment pursuant to the fee schedule. A policy form approved by OIR satisfied this requirement.

The bill also specifies that an insurer may pay charges that are for an amount less than the amount allowed under the fee schedule.

Requirements for Billing and Payment of MedPay Claims

MedPay retains some provisions in the PIP statute related to payment of medical claims. These include the grounds for an insurer not paying a claim.⁵⁴ Some billing requirements are retained, including requiring providers of medical services to bill insurers for specified services, though the time frames for doing so are not retained,⁵⁵ and using specified forms for billing.⁵⁶

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.⁵⁷ 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.⁵⁸ Claims generated as a result of patient brokering are not reimbursable.⁵⁹

⁵⁴ See s. 627.7265(5)(b), F.S.

⁵⁵ See s. 627.7265(5)(c), F.S.

⁵⁶ See s. 627.7265(5)(d), F.S.

⁵⁷ See s. 627.7265(6), F.S.

⁵⁸ See s. 627.7265(7), F.S.

⁵⁹ See s. 627.7265(8), F.S.

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 deletes subsection (7), which 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. The bill repeals the “verbal threshold” contained in the No-Fault Law, thus this corresponding provision is also repealed.

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 required by s. 324.022, F.S., to maintain liability security for 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.

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 under the chapter all owners or operators of a motor vehicle required to be registered in this state must 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 19 amends s. 324.071, F.S., to provide stylistic changes to provisions governing the reinstatement of a suspended license.

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 cross-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., regarding unfair insurance trade practices related to motor vehicle insurance. The bill deletes the unfair trade practice in paragraph (i) for failing to pay claims within statutory time periods required under the No-Fault Law to conform to the repeal of those time frames by the bill. The section makes a technical amendment to paragraph (o) to reference MedPay coverage rather than PIP in the prohibitions against the unfair insurance trade 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, F.S., 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, F.S., 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. The bill retains this reinstatement fee for a license suspension based upon a crash report under s. 324.051(2), F.S.; a registration suspension under s. 324.072, F.S., based on a

license suspension pursuant to s. 322.26, F.S., or s. 322.27, F.S.; suspension of the operating privileges of a nonresident driver under s. 324.081, F.S.; or suspension of license and registration under s. 324.121, F.S., for failure to satisfy a judgment.

The bill also retains the current reinstatement fees under s. 324.0221, F.S., for a suspended license or registration for failure to maintain required insurance based on a report by an insurer. 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.

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.⁶⁰ 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 Premium⁶¹

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

⁶⁰ 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).

⁶¹ 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.⁶² 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.

C. Government Sector Impact:

The DHSMV recommends the implementation of an education campaign to raise awareness of the changes to the insurance and financial responsibility laws.⁶³ 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 million would be needed to successfully implement the campaign.

VI. Technical Deficiencies:

Lines 1845 through 1848 specify that MedPay provides reimbursement for physician services and care provided by a physician or chiropractic physician with necessary licensure, and dental services and care provided by a dentist with necessary licensure. The MedPay fee schedule on lines 1901 through 1994 does not address such services.

The notice on lines 2877 through 2901 describing MedPay coverage should be amended to explain that MedPay provides reimbursement for services provided by physicians, chiropractic physicians and dentists.

⁶²Office of Insurance Regulation, *Florida Office of Insurance Regulation Review of Personal Injury Protection Legislation*, pg. 6 (September 13, 2016).

⁶³ Department of Highway Safety and Motor Vehicles, *2018 Agency Legislative Bill Analysis SB 150* (January 4, 2018).

VII. Related Issues:

None.

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 Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Banking and Insurance on January 10, 2018:

The CS makes the following substantial changes:

- Reinstates existing law applying financial responsibility requirements (usually through maintaining motor vehicle insurance) to registrants of motor vehicles, rather than registrants and all operators (which would encompass all persons with a Florida driver's license).
- Deletes a provision requiring liability coverage to pay for legal fees imposed because of the insurer's defense of the claim.
- Deletes provisions expanding the statutory requirements for the scope of motor vehicle liability insurance.
- Deletes an unfair insurance trade practice related to failure to timely pay claims as required by the No-Fault Law.
- Deletes provisions in the underlying bill that would have retained provisions in the No-Fault Law within the MedPay insurance statute. The deletions include requirements for:
 - Billing and payment of claims.
 - Claimant compliance with MedPay claims investigations.
 - Prohibitions against certain acts by insurers.
 - Claimant demand letters and bringing claims in a single action.
 - Insurer subrogation rights.
- Deletes the fee schedule limits for services and care provided by a physician, chiropractor, or dentist.

- Reinstates the current \$15 fee to reinstate a driver's license or vehicle registration for specified offenses, rather than increasing the fee.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.



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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
01/10/2018	.	
	.	
	.	
	.	

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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11 Statutes, is amended to read:

12 316.646 Security required; proof of security and display
13 thereof.—

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

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

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

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

36 Section 4. Paragraph (b) of subsection (2) of section
37 318.18, Florida Statutes, is amended to read:

38 318.18 Amount of penalties.—The penalties required for a
39 noncriminal disposition pursuant to s. 318.14 or a criminal



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40 offense listed in s. 318.17 are as follows:

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

43 (b) For all violations of ss. 320.0605, 320.07(1), 322.065,
44 and 322.15(1). ~~A~~ Any person who is cited for a violation of s.
45 320.07(1) shall be charged a delinquent fee pursuant to s.
46 320.07(4).

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

58 2. If a person who is cited for a violation of s. 322.03,
59 s. 322.065, or s. 322.15 can show a driver license issued to him
60 or her and valid at the time of arrest, the clerk of the court
61 may dismiss the case and may assess a dismissal fee of up to
62 \$10.

63 3. If a person who is cited for a violation of s. 316.646
64 can show proof of security as required by s. 324.021(7) ~~s.~~
65 ~~627.733~~, issued to the person and valid at the time of arrest,
66 the clerk of the court may dismiss the case and may assess a
67 dismissal fee of up to \$10. A person who finds it impossible or
68 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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98 the vehicle insured. The card must contain a statement notifying
99 the applicant of the penalty specified under s. 316.646(4). The
100 card or insurance policy, insurance policy binder, or
101 certificate of insurance or a photocopy of any of these; an
102 affidavit containing the name of the insured's insurance
103 company, the insured's policy number, and the make and year of
104 the vehicle insured; or such other proof as may be prescribed by
105 the department constitutes ~~shall constitute~~ sufficient proof of
106 purchase. If an affidavit is provided as proof, it must be in
107 substantially the following form:

108
109 Under penalty of perjury, I ...(Name of insured)... do hereby
110 certify that I have ...(bodily injury liability and ~~Personal~~
111 ~~Injury Protection~~, property damage liability coverage, and
112 medical payments coverage, and, if required, ~~Bodily Injury~~
113 ~~Liability~~)... Insurance currently in effect with ...(Name of
114 insurance company)... under ...(policy number)... covering
115 ...(make, year, and vehicle identification number of
116 vehicle).... ...(Signature of Insured)...

117
118 Such affidavit must include the following warning:

119
120 WARNING: GIVING FALSE INFORMATION IN ORDER TO OBTAIN A VEHICLE
121 REGISTRATION CERTIFICATE IS A CRIMINAL OFFENSE UNDER FLORIDA
122 LAW. ANYONE GIVING FALSE INFORMATION ON THIS AFFIDAVIT IS
123 SUBJECT TO PROSECUTION.

124
125 If an application is made through a licensed motor vehicle
126 dealer as required under s. 319.23, the original or a photocopy



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

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



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156 a presumption of insurance coverage.

157 Section 6. Paragraph (b) of subsection (1) of section
158 320.0609, Florida Statutes, is amended to read:

159 320.0609 Transfer and exchange of registration license
160 plates; transfer fee.—

161 (1)

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

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

170 320.27 Motor vehicle dealers.—

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

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

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

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

182 3. Beginning January 1, 2023 and thereafter, at least
183 \$70,000.

184 (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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214 dealer is the principal business that will ~~which shall~~ be
215 conducted at that location. The application must ~~shall~~ contain a
216 statement that the applicant is either franchised by a
217 manufacturer of motor vehicles, in which case the name of each
218 motor vehicle that the applicant is franchised to sell must
219 ~~shall~~ be included, or an independent (nonfranchised) motor
220 vehicle dealer. The application must ~~shall~~ contain other
221 relevant information as may be required by the department. The
222 applicant must furnish, including evidence, in a form approved
223 by the department, that the applicant is insured under a garage
224 liability insurance policy or a general liability insurance
225 policy coupled with a business automobile policy having the
226 garage liability insurance coverage required by this subsection,
227 ~~which shall include, at a minimum, \$25,000 combined single-limit~~
228 ~~liability coverage including bodily injury and property damage~~
229 ~~protection and \$10,000 personal injury protection.~~ However, a
230 salvage motor vehicle dealer as defined in subparagraph (1)(c)5.
231 is exempt from the requirements for garage liability insurance
232 and medical payments coverage insurance and personal injury
233 ~~protection insurance~~ on those vehicles that cannot be legally
234 operated on roads, highways, or streets in this state. Franchise
235 dealers must submit a garage liability insurance policy, and all
236 other dealers must submit a garage liability insurance policy or
237 a general liability insurance policy coupled with a business
238 automobile policy. Such policy must ~~shall~~ be for the license
239 period, and evidence of a new or continued policy must ~~shall~~ be
240 delivered to the department at the beginning of each license
241 period. Upon making an initial application, the applicant shall
242 pay to the department a fee of \$300 in addition to any other



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

269 Section 8. Paragraph (j) of subsection (3) of section
270 320.771, Florida Statutes, is amended to read:

271 320.771 License required of recreational vehicle dealers.-



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

276 (j) A statement that the applicant is insured under a
277 garage liability insurance policy in accordance with s.
278 320.27(1)(g), ~~which shall include, at a minimum, \$25,000~~
279 ~~combined single-limit liability coverage, including bodily~~
280 ~~injury and property damage protection, and \$10,000 personal~~
281 ~~injury protection,~~ if the applicant is to be licensed as a
282 dealer in, or intends to sell, recreational vehicles.

283
284 The department shall, if it deems necessary, cause an
285 investigation to be made to ascertain if the facts set forth in
286 the application are true and shall not issue a license to the
287 applicant until it is satisfied that the facts set forth in the
288 application are true.

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

291 322.251 Notice of cancellation, suspension, revocation, or
292 disqualification of license.—

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



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

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

317 Section 10. Paragraph (a) of subsection (8) of section
318 322.34, Florida Statutes, is amended to read:

319 322.34 Driving while license suspended, revoked, canceled,
320 or disqualified.—

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

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

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

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



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330 316.646 ~~or s. 627.733~~, relating to failure to maintain required
331 security, or under s. 322.264, relating to habitual traffic
332 offenders.

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

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

337 324.011 Legislative intent and purpose of chapter.—It is
338 the Legislature's intent of this chapter to ensure that the
339 privilege of owning or operating a motor vehicle in this state
340 be exercised ~~recognize the existing privilege to own or operate~~
341 ~~a motor vehicle on the public streets and highways of this state~~
342 ~~when such vehicles are used~~ with due consideration for others'
343 safety ~~others~~ and their property, ~~and~~ to promote safety, and to
344 provide financial security requirements for ~~such~~ owners and ~~or~~
345 operators whose responsibility it is to recompense others for
346 injury to person or property caused by the operation of a motor
347 vehicle. Therefore, this chapter requires that owners and
348 operators of motor vehicles establish, maintain, and it is
349 ~~required herein that the operator of a motor vehicle involved in~~
350 ~~a crash or convicted of certain traffic offenses meeting the~~
351 ~~operative provisions of s. 324.051(2) shall respond for such~~
352 ~~damages and~~ show proof of financial ability to respond for
353 damages arising out of the ownership, maintenance, or use of a
354 motor vehicle in future accidents as a requisite to owning or
355 operating a motor vehicle in this state ~~his or her future~~
356 ~~exercise of such privileges.~~

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



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

360 324.021 Definitions; minimum insurance required.—The
361 following words and phrases when used in this chapter shall, for
362 the purpose of this chapter, have the meanings respectively
363 ascribed to them in this section, except in those instances
364 where the context clearly indicates a different meaning:

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

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

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

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

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



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388 injury to, or the death of, one person in any one crash and,
389 ~~(b)~~ subject to such limits for one person, in the amount of
390 \$40,000 for \$20,000 because of bodily injury to, or the death
391 of, two or more persons in any one crash; and

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

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

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

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

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

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

410 b. ~~(e)~~ Ten thousand dollars for damage ~~In the amount of~~
411 ~~\$10,000 because of~~ injury to, or destruction of, property of
412 others in any one crash. ~~;~~ ~~and~~

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

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



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417 specified in s. 627.742.

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

420 (9) OWNER; OWNER/LESSOR.—

421 (c) *Application.*—

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

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

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

445 2. Furthermore, with respect to commercial motor vehicles



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

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

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

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

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

469 324.022 Financial responsibility requirements ~~for property~~
470 ~~damage.~~—

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



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475 in the amount of:

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

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

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

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

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

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

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

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

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

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



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504 insuring as authorized by s. 768.28(16); or by maintaining
505 medical payments coverage under s. 627.7265 and a motor vehicle
506 liability insurance policy that ~~an insurance policy providing~~
507 ~~coverage for property damage liability in the amount of at least~~
508 ~~\$10,000 because of damage to, or destruction of, property of~~
509 ~~others in any one accident arising out of the use of the motor~~
510 ~~vehicle. The requirements of this section may also be met by~~
511 ~~having a policy which provides~~ combined property damage
512 liability and bodily injury liability coverage for any one crash
513 arising out of the ownership, maintenance, or use of a motor
514 vehicle which conforms to the requirements of s. 324.151 in the
515 amount of:

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

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

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

522 ~~\$30,000 for combined property damage liability and bodily injury~~
523 ~~liability for any one crash arising out of the use of the motor~~
524 ~~vehicle. The policy, with respect to coverage for property~~
525 ~~damage liability, must meet the applicable requirements of s.~~
526 ~~324.151, subject to the usual policy exclusions that have been~~
527 ~~approved in policy forms by the Office of Insurance Regulation.~~
528 ~~No insurer shall have any duty to defend uncovered claims~~
529 ~~irrespective of their joinder with covered claims.~~

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

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



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

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

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

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

544 4. A commercial motor vehicle as defined in s. 207.002 or
545 s. 320.01, which shall maintain security as required under ss.
546 324.031 and 627.7415.

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

549 ~~6.4. A vehicle providing for-hire passenger transportation~~
550 ~~vehicle, which that is subject to the provisions of s. 324.031.~~
551 ~~A taxicab shall maintain security as required under s. 324.032~~
552 ~~s. 324.032(1).~~

553 ~~7.5. A personal delivery device as defined in s. 316.003.~~

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

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



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

564 (4) An ~~The~~ owner or registrant of a motor vehicle who is
565 ~~exempt from the requirements of this section if she or he is a~~
566 member of the United States Armed Forces and is called to or on
567 active duty outside the United States in an emergency situation
568 is exempt from this section while he or she. ~~The exemption~~
569 ~~provided by this subsection applies only as long as the member~~
570 ~~of the Armed Forces~~ is on such active duty. This exemption
571 ~~outside the United States and applies only while the vehicle~~
572 covered by the security is not operated by any person. Upon
573 receipt of a written request by the insured to whom the
574 exemption provided in this subsection applies, the insurer shall
575 cancel the coverages and return any unearned premium or suspend
576 the security required by this section. Notwithstanding s.
577 324.0221(2) ~~s. 324.0221(3)~~, the department may not suspend the
578 registration or operator's license of an ~~any~~ owner or registrant
579 of a motor vehicle during the time she or he qualifies for the
580 ~~an~~ exemption under this subsection. An ~~Any~~ owner or registrant
581 of a motor vehicle who qualifies for the ~~an~~ exemption under this
582 subsection shall immediately notify the department before ~~prior~~
583 ~~to~~ and at the end of the expiration of the exemption.

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

586 324.0221 Reports by insurers to the department; suspension
587 of driver license and vehicle registrations; reinstatement.—

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



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

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



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

624 (2) The department shall suspend, after due notice and an
625 opportunity to be heard, the registration and driver license of
626 any owner or registrant of a motor vehicle for ~~with respect to~~
627 which security is required under s. 324.022, s. 324.032, s.
628 627.7415, or s. 627.742 ~~ss. 324.022 and 627.733~~ upon:

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

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

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

638 324.023 Financial responsibility for bodily injury or
639 death.—In addition to any other financial responsibility
640 required by law, every owner or operator of a motor vehicle that
641 is required to be registered in this state, or that is located
642 within this state, and who, regardless of adjudication of guilt,
643 has been found guilty of or entered a plea of guilty or nolo
644 contendere to a charge of driving under the influence under s.
645 316.193 after October 1, 2007, shall, by one of the methods
646 established in s. 324.031(1)(a) or (b) ~~s. 324.031(1) or (2)~~,
647 establish and maintain the ability to respond in damages for
648 liability on account of accidents arising out of the use of a



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

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

666 324.031 Manner of proving financial responsibility.-

667 ~~(1) The owner or operator of a taxicab, limousine, jitney,~~
668 ~~or any other for-hire passenger transportation vehicle may prove~~
669 ~~financial responsibility by providing satisfactory evidence of~~
670 ~~holding a motor vehicle liability policy as defined in s.~~
671 ~~324.021(8) or s. 324.151, which policy is issued by an insurance~~
672 ~~carrier which is a member of the Florida Insurance Guaranty~~
673 ~~Association.~~ The operator or owner of a motor vehicle other than
674 a for-hire passenger transportation vehicle ~~any other vehicle~~
675 may prove his or her financial responsibility by:

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



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678 324.151;

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

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

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

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

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

692 3. Seventy thousand dollars, \$30,000, to a maximum of
693 \$280,000, from January 1, 2023, and thereafter. \$120,000;

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

698 1. One hundred twenty-five thousand dollars for bodily
699 injury to, or the death of, one person in any one crash and,
700 subject to such limits for one person, in the amount of \$250,000
701 for bodily injury to, or the death of, two or more persons in
702 any one crash, and \$50,000 for damage to, or destruction of,
703 property of others in any one crash; or \$10,000/20,000/10,000 or
704 \$30,000 combined single limits, and such excess insurance shall
705 provide minimum limits of \$125,000/250,000/50,000 or \$300,000
706 combined single limits. These increased limits shall not affect



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707 ~~the requirements for proving financial responsibility under s.~~
708 ~~324.032(1).~~

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

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

714 324.032 ~~Manner of proving~~ Financial responsibility ~~for,~~
715 ~~for-hire passenger transportation vehicles. Notwithstanding the~~
716 ~~provisions of s. 324.031:~~

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

723 (a) One hundred twenty-five thousand dollars for bodily
724 injury to, or the death of, one person in any one crash and,
725 subject to such limits for one person, in the amount of \$250,000
726 for bodily injury to, or the death of, two or more persons in
727 any one crash; and ~~A person who is either the owner or a lessee~~
728 ~~required to maintain insurance under s. 627.733(1) (b) and who~~
729 ~~operates one or more taxicabs, limousines, jitneys, or any other~~
730 ~~for-hire passenger transportation vehicles may prove financial~~
731 ~~responsibility by furnishing satisfactory evidence of holding a~~
732 ~~motor vehicle liability policy, but with minimum limits of~~
733 ~~\$125,000/250,000/50,000.~~

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



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736 ~~the owner or a lessee required to maintain insurance under s.~~
737 ~~324.021(9)(b) and who operates limousines, jitneys, or any other~~
738 ~~for-hire passenger vehicles, other than taxicabs, may prove~~
739 ~~financial responsibility by furnishing satisfactory evidence of~~
740 ~~holding a motor vehicle liability policy as defined in s.~~
741 ~~324.031.~~

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

748 (3) ~~(2)~~ ~~An owner or a lessee who is required to maintain~~
749 ~~insurance under s. 324.021(9)(b) and who operates at least 300~~
750 ~~taxicabs, limousines, jitneys, or any other for-hire passenger~~
751 ~~transportation vehicles may provide financial responsibility by~~
752 ~~complying with the provisions of s. 324.171, such compliance to~~
753 ~~be demonstrated by maintaining at its principal place of~~
754 ~~business an audited financial statement, prepared in accordance~~
755 ~~with generally accepted accounting principles, and providing to~~
756 ~~the department a certification issued by a certified public~~
757 ~~accountant that the applicant's net worth is at least equal to~~
758 ~~the requirements of s. 324.171 as determined by the Office of~~
759 ~~Insurance Regulation of the Financial Services Commission,~~
760 ~~including claims liabilities in an amount certified as adequate~~
761 ~~by a Fellow of the Casualty Actuarial Society.~~

762
763 Upon request by the department, the applicant shall ~~must~~ provide
764 the department at the applicant's principal place of business in



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

779 Section 18. Paragraph (b) of subsection (2) of section
780 324.051, Florida Statutes, is amended to read:

781 324.051 Reports of crashes; suspensions of licenses and
782 registrations.—

783 (2)

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

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

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



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794 vehicles not owned by him or her.

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

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

802

803 No such policy or bond shall be effective under this subsection
804 unless it contains limits of not less than those specified in s.
805 324.021(7).

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

808 324.071 Reinstatement; renewal of license; reinstatement
809 fee.—~~An~~ Any operator or owner whose license or registration has
810 been suspended pursuant to s. 324.051(2), s. 324.072, s.
811 324.081, or s. 324.121 may effect its reinstatement upon
812 compliance with ~~the provisions of~~ s. 324.051(2)(a)3. or 4., or
813 s. 324.081(2) and (3), as the case may be, and with one of the
814 provisions of s. 324.031 and upon payment to the department of a
815 nonrefundable reinstatement fee of \$15. Only one such fee may
816 ~~shall~~ be paid by any one person regardless ~~irrespective~~ of the
817 number of licenses and registrations to be then reinstated or
818 issued to such person. ~~All~~ Such fees must ~~shall~~ be deposited to
819 a department trust fund. ~~If~~ When the reinstatement of any
820 license or registration is effected by compliance with s.
821 324.051(2)(a)3. or 4., the department may ~~shall~~ not renew the
822 license or registration within a ~~period of~~ 3 years after ~~from~~



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

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

829 324.091 Notice to department; notice to insurer.—

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

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

848 324.151 Motor vehicle liability policies; required
849 provisions.—

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



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

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

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



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881 insurance.

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

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

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

905 324.161 Proof of financial responsibility; deposit.—If a
906 person elects to prove his or her financial responsibility under
907 the method of proof specified in s. 324.031(1)(b), he or she
908 must obtain proof of a certificate of deposit annually, in the
909 amount required under s. 324.031(2), from a financial



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910 institution insured by the Federal Deposit Insurance Corporation
911 or the National Credit Union Administration. Proof of such
912 certificate of deposit ~~Annually, before any certificate of~~
913 ~~insurance may be issued to a person, including any firm,~~
914 ~~partnership, association, corporation, or other person, other~~
915 ~~than a natural person, proof of a certificate of deposit of~~
916 ~~\$30,000 issued and held by a financial institution must be~~
917 submitted to the department annually. A power of attorney will
918 be issued to and held by the department and may be executed upon
919 a judgment issued against such person making the deposit, for
920 damages for ~~because of~~ bodily injury to or death of any person
921 or for damages for ~~because of~~ injury to or destruction of
922 property resulting from the use or operation of any motor
923 vehicle occurring after such deposit was made. Money so
924 deposited is ~~shall~~ not be subject to attachment or execution
925 unless such attachment or execution arises ~~shall arise~~ out of a
926 lawsuit ~~suit~~ for such damages as ~~aforsaid~~.

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

929 324.171 Self-insurer.—

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

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

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



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939 at least \$80,000.

940 2. Beginning January 1, 2021, through December 31, 2022, of

941 at least \$100,000.

942 3. Beginning January 1, 2023, and thereafter, of at least

943 \$120,000 ~~\$40,000.~~

944 (b) A person, including any firm, partnership, association,

945 corporation, or other person, other than a natural person, must

946 shall:

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

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

949 at least \$80,000 for the first motor vehicle and \$40,000 for

950 each additional motor vehicle.

951 b. Beginning January 1, 2021, through December 31, 2022, of

952 at least \$100,000 for the first motor vehicle and \$50,000 for

953 each additional motor vehicle.

954 c. Beginning January 1, 2023, and thereafter, of at least

955 \$120,000 ~~\$40,000~~ for the first motor vehicle and \$60,000 ~~\$20,000~~

956 for each additional motor vehicle; or

957 2. Maintain sufficient net worth, in an amount determined

958 by the department, to be financially responsible for potential

959 losses. The department shall annually determine the minimum net

960 worth sufficient to satisfy this subparagraph ~~as determined~~

961 annually by the department, pursuant to rules adopted

962 promulgated by the department, with the assistance of the Office

963 of Insurance Regulation of the Financial Services Commission, ~~to~~

964 be financially responsible for potential losses. The rules must

965 consider any ~~shall take into consideration~~ excess insurance

966 carried by the applicant. The department's determination must

967 shall be based upon reasonable actuarial principles considering



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

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

974 (2) The self-insurance certificate must ~~shall~~ provide
975 limits of liability insurance in the amounts specified under s.
976 324.021(7) ~~or s. 627.7415 and shall provide personal injury~~
977 ~~protection coverage under s. 627.733(3)(b).~~

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

980 324.251 Short title.—This chapter may be cited as the
981 “Financial Responsibility Law of 2018 1955” and is ~~shall become~~
982 effective at 12:01 a.m., January 1, 2019 ~~October 1, 1955~~.

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

985 400.9905 Definitions.—

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

992 (a) Entities licensed or registered by the state under
993 chapter 395; entities licensed or registered by the state and
994 providing only health care services within the scope of services
995 authorized under their respective licenses under ss. 383.30-
996 383.335, chapter 390, chapter 394, chapter 397, this chapter



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997 except part X, chapter 429, chapter 463, chapter 465, chapter
998 466, chapter 478, part I of chapter 483, chapter 484, or chapter
999 651; end-stage renal disease providers authorized under 42
1000 C.F.R. part 405, subpart U; providers certified under 42 C.F.R.
1001 part 485, subpart B or subpart H; or any entity that provides
1002 neonatal or pediatric hospital-based health care services or
1003 other health care services by licensed practitioners solely
1004 within a hospital licensed under chapter 395.

1005 (b) Entities that own, directly or indirectly, entities
1006 licensed or registered by the state pursuant to chapter 395;
1007 entities that own, directly or indirectly, entities licensed or
1008 registered by the state and providing only health care services
1009 within the scope of services authorized pursuant to their
1010 respective licenses under ss. 383.30-383.335, chapter 390,
1011 chapter 394, chapter 397, this chapter except part X, chapter
1012 429, chapter 463, chapter 465, chapter 466, chapter 478, part I
1013 of chapter 483, chapter 484, or chapter 651; end-stage renal
1014 disease providers authorized under 42 C.F.R. part 405, subpart
1015 U; providers certified under 42 C.F.R. part 485, subpart B or
1016 subpart H; or any entity that provides neonatal or pediatric
1017 hospital-based health care services by licensed practitioners
1018 solely within a hospital licensed under chapter 395.

1019 (c) Entities that are owned, directly or indirectly, by an
1020 entity licensed or registered by the state pursuant to chapter
1021 395; entities that are owned, directly or indirectly, by an
1022 entity licensed or registered by the state and providing only
1023 health care services within the scope of services authorized
1024 pursuant to their respective licenses under ss. 383.30-383.335,
1025 chapter 390, chapter 394, chapter 397, this chapter except part



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1026 X, chapter 429, chapter 463, chapter 465, chapter 466, chapter
1027 478, part I of chapter 483, chapter 484, or chapter 651; end-
1028 stage renal disease providers authorized under 42 C.F.R. part
1029 405, subpart U; providers certified under 42 C.F.R. part 485,
1030 subpart B or subpart H; or any entity that provides neonatal or
1031 pediatric hospital-based health care services by licensed
1032 practitioners solely within a hospital under chapter 395.

1033 (d) Entities that are under common ownership, directly or
1034 indirectly, with an entity licensed or registered by the state
1035 pursuant to chapter 395; entities that are under common
1036 ownership, directly or indirectly, with an entity licensed or
1037 registered by the state and providing only health care services
1038 within the scope of services authorized pursuant to their
1039 respective licenses under ss. 383.30-383.335, chapter 390,
1040 chapter 394, chapter 397, this chapter except part X, chapter
1041 429, chapter 463, chapter 465, chapter 466, chapter 478, part I
1042 of chapter 483, chapter 484, or chapter 651; end-stage renal
1043 disease providers authorized under 42 C.F.R. part 405, subpart
1044 U; providers certified under 42 C.F.R. part 485, subpart B or
1045 subpart H; or any entity that provides neonatal or pediatric
1046 hospital-based health care services by licensed practitioners
1047 solely within a hospital licensed under chapter 395.

1048 (e) An entity that is exempt from federal taxation under 26
1049 U.S.C. s. 501(c)(3) or (4), an employee stock ownership plan
1050 under 26 U.S.C. s. 409 that has a board of trustees at least
1051 two-thirds of which are Florida-licensed health care
1052 practitioners and provides only physical therapy services under
1053 physician orders, any community college or university clinic,
1054 and any entity owned or operated by the federal or state



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1055 government, including agencies, subdivisions, or municipalities
1056 thereof.

1057 (f) A sole proprietorship, group practice, partnership, or
1058 corporation that provides health care services by physicians
1059 covered by s. 627.419, that is directly supervised by one or
1060 more of such physicians, and that is wholly owned by one or more
1061 of those physicians or by a physician and the spouse, parent,
1062 child, or sibling of that physician.

1063 (g) A sole proprietorship, group practice, partnership, or
1064 corporation that provides health care services by licensed
1065 health care practitioners under chapter 457, chapter 458,
1066 chapter 459, chapter 460, chapter 461, chapter 462, chapter 463,
1067 chapter 466, chapter 467, chapter 480, chapter 484, chapter 486,
1068 chapter 490, chapter 491, or part I, part III, part X, part
1069 XIII, or part XIV of chapter 468, or s. 464.012, and that is
1070 wholly owned by one or more licensed health care practitioners,
1071 or the licensed health care practitioners set forth in this
1072 paragraph and the spouse, parent, child, or sibling of a
1073 licensed health care practitioner if one of the owners who is a
1074 licensed health care practitioner is supervising the business
1075 activities and is legally responsible for the entity's
1076 compliance with all federal and state laws. However, a health
1077 care practitioner may not supervise services beyond the scope of
1078 the practitioner's license, except that, for the purposes of
1079 this part, a clinic owned by a licensee in s. 456.053(3)(b)
1080 which provides only services authorized pursuant to s.
1081 456.053(3)(b) may be supervised by a licensee specified in s.
1082 456.053(3)(b).

1083 (h) Clinical facilities affiliated with an accredited



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1084 medical school at which training is provided for medical
1085 students, residents, or fellows.

1086 (i) Entities that provide only oncology or radiation
1087 therapy services by physicians licensed under chapter 458 or
1088 chapter 459 or entities that provide oncology or radiation
1089 therapy services by physicians licensed under chapter 458 or
1090 chapter 459 which are owned by a corporation whose shares are
1091 publicly traded on a recognized stock exchange.

1092 (j) Clinical facilities affiliated with a college of
1093 chiropractic accredited by the Council on Chiropractic Education
1094 at which training is provided for chiropractic students.

1095 (k) Entities that provide licensed practitioners to staff
1096 emergency departments or to deliver anesthesia services in
1097 facilities licensed under chapter 395 and that derive at least
1098 90 percent of their gross annual revenues from the provision of
1099 such services. Entities claiming an exemption from licensure
1100 under this paragraph must provide documentation demonstrating
1101 compliance.

1102 (l) Orthotic, prosthetic, pediatric cardiology, or
1103 perinatology clinical facilities or anesthesia clinical
1104 facilities that are not otherwise exempt under paragraph (a) or
1105 paragraph (k) and that are a publicly traded corporation or are
1106 wholly owned, directly or indirectly, by a publicly traded
1107 corporation. As used in this paragraph, a publicly traded
1108 corporation is a corporation that issues securities traded on an
1109 exchange registered with the United States Securities and
1110 Exchange Commission as a national securities exchange.

1111 (m) Entities that are owned by a corporation that has \$250
1112 million or more in total annual sales of health care services



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1113 provided by licensed health care practitioners where one or more
1114 of the persons responsible for the operations of the entity is a
1115 health care practitioner who is licensed in this state and who
1116 is responsible for supervising the business activities of the
1117 entity and is responsible for the entity's compliance with state
1118 law for purposes of this part.

1119 (n) Entities that employ 50 or more licensed health care
1120 practitioners licensed under chapter 458 or chapter 459 where
1121 the billing for medical services is under a single tax
1122 identification number. The application for exemption under this
1123 subsection must include ~~shall contain information that includes:~~
1124 the name, residence, and business address and telephone ~~phone~~
1125 number of the entity that owns the practice; a complete list of
1126 the names and contact information of all the officers and
1127 directors of the corporation; the name, residence address,
1128 business address, and medical license number of each licensed
1129 Florida health care practitioner employed by the entity; the
1130 corporate tax identification number of the entity seeking an
1131 exemption; a listing of health care services to be provided by
1132 the entity at the health care clinics owned or operated by the
1133 entity; and a certified statement prepared by an independent
1134 certified public accountant which states that the entity and the
1135 health care clinics owned or operated by the entity have not
1136 received payment for health care services under medical payments
1137 ~~personal injury protection~~ insurance coverage for the preceding
1138 year. If the agency determines that an entity that ~~which~~ is
1139 exempt under this subsection has received payments for medical
1140 services under medical payments ~~personal injury protection~~
1141 insurance coverage, the agency may deny or revoke the exemption



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1142 from licensure under this subsection.

1143

1144 Notwithstanding this subsection, an entity shall be deemed a
1145 clinic and must be licensed under this part in order to receive
1146 medical payments coverage reimbursement under s. 627.7265 ~~the~~
1147 ~~Florida Motor Vehicle No-Fault Law, ss. 627.730-627.7405, unless~~
1148 ~~exempted under s. 627.736(5)(h).~~

1149 Section 26. Subsection (6) of section 400.991, Florida
1150 Statutes, is amended to read:

1151 400.991 License requirements; background screenings;
1152 prohibitions.-

1153 (6) All agency forms for licensure application or exemption
1154 from licensure under this part must contain the following
1155 statement:

1156

1157 INSURANCE FRAUD NOTICE.-A person commits a fraudulent
1158 insurance act, as defined in s. 626.989, Florida
1159 Statutes, if the person ~~who~~ knowingly submits a false,
1160 misleading, or fraudulent application or other
1161 document when applying for licensure as a health care
1162 clinic, seeking an exemption from licensure as a
1163 health care clinic, or demonstrating compliance with
1164 part X of chapter 400, Florida Statutes, with the
1165 intent to use the license, exemption from licensure,
1166 or demonstration of compliance to provide services or
1167 seek reimbursement under a motor vehicle liability
1168 insurance policy's medical payments coverage ~~the~~
1169 ~~Florida Motor Vehicle No-Fault Law, commits a~~
1170 ~~fraudulent insurance act, as defined in s. 626.989,~~



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1171 ~~Florida Statutes.~~ A person who presents a claim for
1172 benefits under medical payments coverage, personal
1173 ~~injury protection benefits~~ knowing that the payee
1174 knowingly submitted such health care clinic
1175 application or document, commits insurance fraud, as
1176 defined in s. 817.234, Florida Statutes.
1177 Section 27. Paragraph (g) of subsection (1) of section
1178 400.9935, Florida Statutes, is amended to read:
1179 400.9935 Clinic responsibilities.—
1180 (1) Each clinic shall appoint a medical director or clinic
1181 director who shall agree in writing to accept legal
1182 responsibility for the following activities on behalf of the
1183 clinic. The medical director or the clinic director shall:
1184 (g) Conduct systematic reviews of clinic billings to ensure
1185 that the billings are not fraudulent or unlawful. Upon discovery
1186 of an unlawful charge, the medical director or clinic director
1187 shall take immediate corrective action. If the clinic performs
1188 only the technical component of magnetic resonance imaging,
1189 static radiographs, computed tomography, or positron emission
1190 tomography, and provides the professional interpretation of such
1191 services, in a fixed facility that is accredited by a national
1192 accrediting organization that is approved by the Centers for
1193 Medicare and Medicaid Services for magnetic resonance imaging
1194 and advanced diagnostic imaging services and if, in the
1195 preceding quarter, the percentage of scans performed by that
1196 clinic which was billed to motor vehicle ~~all personal injury~~
1197 ~~protection~~ insurance carriers under medical payments coverage
1198 was less than 15 percent, the chief financial officer of the
1199 clinic may, in a written acknowledgment provided to the agency,



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1200 assume the responsibility for the conduct of the systematic
1201 reviews of clinic billings to ensure that the billings are not
1202 fraudulent or unlawful.

1203 Section 28. Subsection (28) of section 409.901, Florida
1204 Statutes, is amended to read:

1205 409.901 Definitions; ss. 409.901-409.920.—As used in ss.
1206 409.901-409.920, except as otherwise specifically provided, the
1207 term:

1208 (28) "Third-party benefit" means any benefit that is or may
1209 be available at any time through contract, court award,
1210 judgment, settlement, agreement, or any arrangement between a
1211 third party and any person or entity, including, without
1212 limitation, a Medicaid recipient, a provider, another third
1213 party, an insurer, or the agency, for any Medicaid-covered
1214 injury, illness, goods, or services, including costs of medical
1215 services related thereto, for bodily ~~personal~~ injury or for
1216 death of the recipient, but specifically excluding ~~policies of~~
1217 life insurance policies on the recipient, unless available under
1218 terms of the policy to pay medical expenses before ~~prior to~~
1219 death. The term includes, without limitation, collateral, as
1220 defined in this section, health insurance, any benefit under a
1221 health maintenance organization, a preferred provider
1222 arrangement, a prepaid health clinic, liability insurance,
1223 uninsured motorist insurance, medical payments coverage ~~or~~
1224 ~~personal injury protection coverage~~, medical benefits under
1225 workers' compensation, and any obligation under law or equity to
1226 provide medical support.

1227 Section 29. Paragraph (f) of subsection (11) of section
1228 409.910, Florida Statutes, is amended to read:



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1229 409.910 Responsibility for payments on behalf of Medicaid-
1230 eligible persons when other parties are liable.—

1231 (11) The agency may, as a matter of right, in order to
1232 enforce its rights under this section, institute, intervene in,
1233 or join any legal or administrative proceeding in its own name
1234 in one or more of the following capacities: individually, as
1235 subrogee of the recipient, as assignee of the recipient, or as
1236 lienholder of the collateral.

1237 (f) Notwithstanding any provision in this section to the
1238 contrary, in the event of an action in tort against a third
1239 party in which the recipient or his or her legal representative
1240 is a party which results in a judgment, award, or settlement
1241 from a third party, the amount recovered shall be distributed as
1242 follows:

1243 1. After attorney ~~attorney's~~ fees and taxable costs as
1244 defined by the Florida Rules of Civil Procedure, one-half of the
1245 remaining recovery shall be paid to the agency up to the total
1246 amount of medical assistance provided by Medicaid.

1247 2. The remaining amount of the recovery shall be paid to
1248 the recipient.

1249 3. For purposes of calculating the agency's recovery of
1250 medical assistance benefits paid, the fee for services of an
1251 attorney retained by the recipient or his or her legal
1252 representative shall be calculated at 25 percent of the
1253 judgment, award, or settlement.

1254 4. Notwithstanding any other provision of this section to
1255 the contrary, the agency shall be entitled to all medical
1256 coverage benefits up to the total amount of medical assistance
1257 provided by Medicaid. For purposes of this paragraph, the term



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1258 "medical coverage" means any benefits under health insurance, a
1259 health maintenance organization, a preferred provider
1260 arrangement, or a prepaid health clinic, and the portion of
1261 benefits designated for medical payments under ~~coverage for~~
1262 workers' compensation coverage, motor vehicle insurance
1263 coverage, personal injury protection, and casualty coverage.

1264 Section 30. Paragraph (k) of subsection (2) of section
1265 456.057, Florida Statutes, is amended to read:

1266 456.057 Ownership and control of patient records; report or
1267 copies of records to be furnished; disclosure of information.—

1268 (2) As used in this section, the terms "records owner,"
1269 "health care practitioner," and "health care practitioner's
1270 employer" do not include any of the following persons or
1271 entities; furthermore, the following persons or entities are not
1272 authorized to acquire or own medical records, but are authorized
1273 under the confidentiality and disclosure requirements of this
1274 section to maintain those documents required by the part or
1275 chapter under which they are licensed or regulated:

1276 (k) Persons or entities practicing under s. 627.7265 ~~s.~~
1277 ~~627.736(7)~~.

1278 Section 31. Paragraphs (ee) and (ff) of subsection (1) of
1279 section 456.072, Florida Statutes, are amended to read:

1280 456.072 Grounds for discipline; penalties; enforcement.—

1281 (1) The following acts shall constitute grounds for which
1282 the disciplinary actions specified in subsection (2) may be
1283 taken:

1284 (ee) With respect to making a medical payments coverage
1285 ~~personal injury protection claim under s. 627.7265 as required~~
1286 ~~by s. 627.736,~~ intentionally submitting a claim, statement, or



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1287 bill that has been upcoded. As used in this paragraph, the term
1288 "upcoded" means an action that submits a billing code that would
1289 result in payment greater in amount than would be paid using a
1290 billing code that accurately describes the services performed.
1291 The term does not include an otherwise lawful bill by a magnetic
1292 resonance imaging facility, which globally combines both
1293 technical and professional components, if the amount of the
1294 global bill is not more than the components if billed
1295 separately; however, payment of such a bill constitutes payment
1296 in full for all components of such service ~~"upcoded" as defined~~
1297 ~~in s. 627.732.~~

1298 (ff) With respect to making a medical payments coverage
1299 ~~personal injury protection~~ claim as required under s. 627.7265
1300 ~~by s. 627.736~~, intentionally submitting a claim, statement, or
1301 bill for payment of services that were not rendered.

1302 Section 32. Paragraphs (i) and (o) of subsection (1) of
1303 section 626.9541, Florida Statutes, are amended to read:

1304 626.9541 Unfair methods of competition and unfair or
1305 deceptive acts or practices defined.—

1306 (1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE
1307 ACTS.—The following are defined as unfair methods of competition
1308 and unfair or deceptive acts or practices:

1309 (i) *Unfair claim settlement practices*.—

1310 1. Attempting to settle claims on the basis of an
1311 application, when serving as a binder or intended to become a
1312 part of the policy, or any other material document which was
1313 altered without notice to, or knowledge or consent of, the
1314 insured;

1315 2. A material misrepresentation made to an insured or any



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1316 other person having an interest in the proceeds payable under
1317 such contract or policy, for the purpose and with the intent of
1318 effecting settlement of such claims, loss, or damage under such
1319 contract or policy on less favorable terms than those provided
1320 in, and contemplated by, such contract or policy; ~~or~~

1321 3. Committing or performing with such frequency as to
1322 indicate a general business practice any of the following:

1323 a. Failing to adopt and implement standards for the proper
1324 investigation of claims;

1325 b. Misrepresenting pertinent facts or insurance policy
1326 provisions relating to coverages at issue;

1327 c. Failing to acknowledge and act promptly upon
1328 communications with respect to claims;

1329 d. Denying claims without conducting reasonable
1330 investigations based upon available information;

1331 e. Failing to affirm or deny full or partial coverage of
1332 claims, and, as to partial coverage, the dollar amount or extent
1333 of coverage, or failing to provide a written statement that the
1334 claim is being investigated, upon the written request of the
1335 insured within 30 days after proof-of-loss statements have been
1336 completed;

1337 f. Failing to promptly provide a reasonable explanation in
1338 writing to the insured of the basis in the insurance policy, in
1339 relation to the facts or applicable law, for denial of a claim
1340 or for the offer of a compromise settlement;

1341 g. Failing to promptly notify the insured of any additional
1342 information necessary for the processing of a claim; or

1343 h. Failing to clearly explain the nature of the requested
1344 information and the reasons why such information is necessary.



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1345 ~~i. Failing to pay personal injury protection insurance~~
1346 ~~claims within the time periods required by s. 627.736(4)(b). The~~
1347 ~~office may order the insurer to pay restitution to a~~
1348 ~~policyholder, medical provider, or other claimant, including~~
1349 ~~interest at a rate consistent with the amount set forth in s.~~
1350 ~~55.03(1), for the time period within which an insurer fails to~~
1351 ~~pay claims as required by law. Restitution is in addition to any~~
1352 ~~other penalties allowed by law, including, but not limited to,~~
1353 ~~the suspension of the insurer's certificate of authority.~~

1354 4. Failing to pay undisputed amounts of partial or full
1355 benefits owed under first-party property insurance policies
1356 within 90 days after an insurer receives notice of a residential
1357 property insurance claim, determines the amounts of partial or
1358 full benefits, and agrees to coverage, unless payment of the
1359 undisputed benefits is prevented by an act of God, prevented by
1360 the impossibility of performance, or due to actions by the
1361 insured or claimant that constitute fraud, lack of cooperation,
1362 or intentional misrepresentation regarding the claim for which
1363 benefits are owed.

1364 (o) *Illegal dealings in premiums; excess or reduced charges*
1365 *for insurance.—*

1366 1. Knowingly collecting any sum as a premium or charge for
1367 insurance, which is not then provided, or is not in due course
1368 to be provided, subject to acceptance of the risk by the
1369 insurer, by an insurance policy issued by an insurer as
1370 permitted by this code.

1371 2. Knowingly collecting as a premium or charge for
1372 insurance any sum in excess of or less than the premium or
1373 charge applicable to such insurance, in accordance with the



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1374 applicable classifications and rates as filed with and approved
1375 by the office, and as specified in the policy; or, in cases when
1376 classifications, premiums, or rates are not required by this
1377 code to be so filed and approved, premiums and charges collected
1378 from a Florida resident in excess of or less than those
1379 specified in the policy and as fixed by the insurer.

1380 Notwithstanding any other provision of law, this provision shall
1381 not be deemed to prohibit the charging and collection, by
1382 surplus lines agents licensed under part VIII of this chapter,
1383 of the amount of applicable state and federal taxes, or fees as
1384 authorized by s. 626.916(4), in addition to the premium required
1385 by the insurer or the charging and collection, by licensed
1386 agents, of the exact amount of any discount or other such fee
1387 charged by a credit card facility in connection with the use of
1388 a credit card, as authorized by subparagraph (q)3., in addition
1389 to the premium required by the insurer. This subparagraph shall
1390 not be construed to prohibit collection of a premium for a
1391 universal life or a variable or indeterminate value insurance
1392 policy made in accordance with the terms of the contract.

1393 3.a. Imposing or requesting an additional premium for
1394 bodily injury liability coverage, property damage liability
1395 coverage ~~a policy of motor vehicle liability, personal injury~~
1396 ~~protection~~, medical payment coverage, or collision coverage in a
1397 motor vehicle liability insurance policy ~~insurance or any~~
1398 ~~combination thereof~~ or refusing to renew the policy solely
1399 because the insured was involved in a motor vehicle accident
1400 unless the insurer's file contains information from which the
1401 insurer in good faith determines that the insured was
1402 substantially at fault in the accident.



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1403 b. An insurer which imposes and collects such a surcharge
1404 or which refuses to renew such policy shall, in conjunction with
1405 the notice of premium due or notice of nonrenewal, notify the
1406 named insured that he or she is entitled to reimbursement of
1407 such amount or renewal of the policy under the conditions listed
1408 below and will subsequently reimburse him or her or renew the
1409 policy, if the named insured demonstrates that the operator
1410 involved in the accident was:

1411 (I) Lawfully parked;

1412 (II) Reimbursed by, or on behalf of, a person responsible
1413 for the accident or has a judgment against such person;

1414 (III) Struck in the rear by another vehicle headed in the
1415 same direction and was not convicted of a moving traffic
1416 violation in connection with the accident;

1417 (IV) Hit by a "hit-and-run" driver, if the accident was
1418 reported to the proper authorities within 24 hours after
1419 discovering the accident;

1420 (V) Not convicted of a moving traffic violation in
1421 connection with the accident, but the operator of the other
1422 automobile involved in such accident was convicted of a moving
1423 traffic violation;

1424 (VI) Finally adjudicated not to be liable by a court of
1425 competent jurisdiction;

1426 (VII) In receipt of a traffic citation which was dismissed
1427 or nolle prossed; or

1428 (VIII) Not at fault as evidenced by a written statement
1429 from the insured establishing facts demonstrating lack of fault
1430 which are not rebutted by information in the insurer's file from
1431 which the insurer in good faith determines that the insured was



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1432 substantially at fault.

1433 c. In addition to the other provisions of this
1434 subparagraph, an insurer may not fail to renew a policy if the
1435 insured has had only one accident in which he or she was at
1436 fault within the current 3-year period. However, an insurer may
1437 nonrenew a policy for reasons other than accidents in accordance
1438 with s. 627.728. This subparagraph does not prohibit nonrenewal
1439 of a policy under which the insured has had three or more
1440 accidents, regardless of fault, during the most recent 3-year
1441 period.

1442 4. Imposing or requesting an additional premium for, or
1443 refusing to renew, a policy for motor vehicle insurance solely
1444 because the insured committed a noncriminal traffic infraction
1445 as described in s. 318.14 unless the infraction is:

1446 a. A second infraction committed within an 18-month period,
1447 or a third or subsequent infraction committed within a 36-month
1448 period.

1449 b. A violation of s. 316.183, when such violation is a
1450 result of exceeding the lawful speed limit by more than 15 miles
1451 per hour.

1452 5. Upon the request of the insured, the insurer and
1453 licensed agent shall supply to the insured the complete proof of
1454 fault or other criteria which justifies the additional charge or
1455 cancellation.

1456 6. No insurer shall impose or request an additional premium
1457 for motor vehicle insurance, cancel or refuse to issue a policy,
1458 or refuse to renew a policy because the insured or the applicant
1459 is a handicapped or physically disabled person, so long as such
1460 handicap or physical disability does not substantially impair



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1461 such person's mechanically assisted driving ability.

1462 7. No insurer may cancel or otherwise terminate any
1463 insurance contract or coverage, or require execution of a
1464 consent to rate endorsement, during the stated policy term for
1465 the purpose of offering to issue, or issuing, a similar or
1466 identical contract or coverage to the same insured with the same
1467 exposure at a higher premium rate or continuing an existing
1468 contract or coverage with the same exposure at an increased
1469 premium.

1470 8. No insurer may issue a nonrenewal notice on any
1471 insurance contract or coverage, or require execution of a
1472 consent to rate endorsement, for the purpose of offering to
1473 issue, or issuing, a similar or identical contract or coverage
1474 to the same insured at a higher premium rate or continuing an
1475 existing contract or coverage at an increased premium without
1476 meeting any applicable notice requirements.

1477 9. No insurer shall, with respect to premiums charged for
1478 motor vehicle insurance, unfairly discriminate solely on the
1479 basis of age, sex, marital status, or scholastic achievement.

1480 10. Imposing or requesting an additional premium for motor
1481 vehicle comprehensive or uninsured motorist coverage solely
1482 because the insured was involved in a motor vehicle accident or
1483 was convicted of a moving traffic violation.

1484 11. No insurer shall cancel or issue a nonrenewal notice on
1485 any insurance policy or contract without complying with any
1486 applicable cancellation or nonrenewal provision required under
1487 the Florida Insurance Code.

1488 12. No insurer shall impose or request an additional
1489 premium, cancel a policy, or issue a nonrenewal notice on any



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1490 insurance policy or contract because of any traffic infraction
1491 when adjudication has been withheld and no points have been
1492 assessed pursuant to s. 318.14(9) and (10). However, this
1493 subparagraph does not apply to traffic infractions involving
1494 accidents in which the insurer has incurred a loss due to the
1495 fault of the insured.

1496 Section 33. Paragraph (a) of subsection (1) of section
1497 626.989, Florida Statutes, is amended to read:

1498 626.989 Investigation by department or Division of
1499 Investigative and Forensic Services; compliance; immunity;
1500 confidential information; reports to division; division
1501 investigator's power of arrest.-

1502 (1) For the purposes of this section:

1503 (a) A person commits a "fraudulent insurance act" if the
1504 person:

1505 1. Knowingly and with intent to defraud presents, causes to
1506 be presented, or prepares with knowledge or belief that it will
1507 be presented, to or by an insurer, self-insurer, self-insurance
1508 fund, servicing corporation, purported insurer, broker, or any
1509 agent thereof, any written statement as part of, or in support
1510 of, an application for the issuance of, or the rating of, any
1511 insurance policy, or a claim for payment or other benefit
1512 pursuant to any insurance policy, which the person knows to
1513 contain materially false information concerning any fact
1514 material thereto or if the person conceals, for the purpose of
1515 misleading another, information concerning any fact material
1516 thereto.

1517 2. Knowingly submits:

1518 a. A false, misleading, or fraudulent application or other



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1519 document when applying for licensure as a health care clinic,
1520 seeking an exemption from licensure as a health care clinic, or
1521 demonstrating compliance with part X of chapter 400 with an
1522 intent to use the license, exemption from licensure, or
1523 demonstration of compliance to provide services or seek
1524 reimbursement under a motor vehicle liability insurance policy's
1525 medical payments coverage ~~the Florida Motor Vehicle No-Fault~~
1526 ~~Law.~~

1527 b. A claim for payment or other benefit under medical
1528 payments coverage ~~pursuant to a personal injury protection~~
1529 ~~insurance policy under the Florida Motor Vehicle No-Fault Law~~ if
1530 the person knows that the payee knowingly submitted a false,
1531 misleading, or fraudulent application or other document when
1532 applying for licensure as a health care clinic, seeking an
1533 exemption from licensure as a health care clinic, or
1534 demonstrating compliance with part X of chapter 400.

1535 Section 34. Subsection (1) of section 627.06501, Florida
1536 Statutes, is amended to read:

1537 627.06501 Insurance discounts for certain persons
1538 completing driver improvement course.—

1539 (1) Any rate, rating schedule, or rating manual for the
1540 liability, medical payments ~~personal injury protection~~, and
1541 collision coverages of a motor vehicle insurance policy filed
1542 with the office may provide for an appropriate reduction in
1543 premium charges as to such coverages if ~~when~~ the principal
1544 operator on the covered vehicle has successfully completed a
1545 driver improvement course approved and certified by the
1546 Department of Highway Safety and Motor Vehicles which is
1547 effective in reducing crash or violation rates, or both, as



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1548 determined pursuant to s. 318.1451(5). Any discount, not to
1549 exceed 10 percent, used by an insurer is presumed to be
1550 appropriate unless credible data demonstrates otherwise.

1551 Section 35. Subsection (1) of section 627.0652, Florida
1552 Statutes, is amended to read:

1553 627.0652 Insurance discounts for certain persons completing
1554 safety course.—

1555 (1) Any rates, rating schedules, or rating manuals for the
1556 liability, medical payments ~~personal injury protection~~, and
1557 collision coverages of a motor vehicle insurance policy filed
1558 with the office must ~~shall~~ provide for an appropriate reduction
1559 in premium charges as to such coverages if ~~when~~ the principal
1560 operator on the covered vehicle is an insured 55 years of age or
1561 older who has successfully completed a motor vehicle accident
1562 prevention course approved by the Department of Highway Safety
1563 and Motor Vehicles. Any discount used by an insurer is presumed
1564 to be appropriate unless credible data demonstrates otherwise.

1565 Section 36. Subsections (1), (3), and (6) of section
1566 627.0653, Florida Statutes, are amended to read:

1567 627.0653 Insurance discounts for specified motor vehicle
1568 equipment.—

1569 (1) Any rates, rating schedules, or rating manuals for the
1570 liability, medical payments ~~personal injury protection~~, and
1571 collision coverages of a motor vehicle insurance policy filed
1572 with the office must ~~shall~~ provide a premium discount if the
1573 insured vehicle is equipped with factory-installed, four-wheel
1574 antilock brakes.

1575 (3) Any rates, rating schedules, or rating manuals for
1576 ~~personal injury protection coverage and medical payments~~



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1577 coverage, ~~if offered,~~ of a motor vehicle insurance policy filed
1578 with the office must ~~shall~~ provide a premium discount if the
1579 insured vehicle is equipped with one or more air bags that ~~which~~
1580 are factory installed.

1581 (6) The Office of Insurance Regulation may approve a
1582 premium discount to any rates, rating schedules, or rating
1583 manuals for the liability, medical payments ~~personal injury~~
1584 ~~protection,~~ and collision coverages of a motor vehicle insurance
1585 policy filed with the office if the insured vehicle is equipped
1586 with autonomous driving technology or electronic vehicle
1587 collision avoidance technology that is factory installed or a
1588 retrofitted system and that complies with National Highway
1589 Traffic Safety Administration standards.

1590 Section 37. Section 627.4132, Florida Statutes, is amended
1591 to read:

1592 627.4132 Stacking of coverages prohibited.—If an insured or
1593 named insured is protected by any type of motor vehicle
1594 insurance policy for bodily injury and property damage
1595 ~~liability, personal injury protection, or other coverage,~~ the
1596 policy must ~~shall~~ provide that the insured or named insured is
1597 protected only to the extent of the coverage she or he has on
1598 the vehicle involved in the accident. However, if none of the
1599 insured's or named insured's vehicles are ~~is~~ involved in the
1600 accident, coverage is available only to the extent of coverage
1601 on any one of the vehicles with applicable coverage. Coverage on
1602 any other vehicles may ~~shall~~ not be added to or stacked upon
1603 that coverage. This section does not apply:

1604 (1) To uninsured motorist coverage that ~~which~~ is separately
1605 governed by s. 627.727.



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1606 (2) To reduce the coverage available by reason of insurance
1607 policies insuring different named insureds.

1608 Section 38. Section 627.7263, Florida Statutes, is amended
1609 to read:

1610 627.7263 Rental and leasing driver's insurance to be
1611 primary; exception.—

1612 (1) The valid and collectible liability insurance and
1613 medical payments coverage ~~or personal injury protection~~
1614 ~~insurance providing coverage~~ for the lessor of a motor vehicle
1615 for rent or lease is primary unless otherwise stated in at least
1616 10-point type on the face of the rental or lease agreement. Such
1617 insurance is primary for the limits of liability ~~and personal~~
1618 ~~injury protection~~ coverage as required by s. 324.021(7) and
1619 medical payments coverage as required under s. 627.7265 ~~ss.~~
1620 ~~324.021(7) and 627.736.~~

1621 (2) If the lessee's coverage is to be primary, the rental
1622 or lease agreement must contain the following language, in at
1623 least 10-point type:

1624
1625 "The valid and collectible liability insurance and
1626 medical payments coverage ~~personal injury protection~~
1627 ~~insurance~~ of an ~~any~~ authorized rental or leasing
1628 driver is primary for the limits of liability ~~and~~
1629 ~~personal injury protection~~ coverage and medical
1630 payments coverage required under ss. 324.021(7) and
1631 627.7265 ~~by ss. 324.021(7) and 627.736~~, Florida
1632 Statutes."

1633 Section 39. Section 627.7265, Florida Statutes, is created
1634 to read:



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1635 627.7265 Motor vehicle insurance; medical payments
1636 coverage.—

1637 (1) MEDICAL PAYMENTS COVERAGE REQUIRED.—A motor vehicle
1638 liability insurance policy that is furnished as proof of
1639 financial responsibility pursuant to s. 324.031 must include
1640 medical payments coverage as provided in this section. The
1641 medical payments coverage must protect the named insured,
1642 resident relatives, persons operating the insured motor vehicle,
1643 passengers in the insured motor vehicle, and persons who are
1644 struck by the insured motor vehicle and suffer bodily injury
1645 while not an occupant of a self-propelled motor vehicle, to a
1646 limit of at least \$5,000 per person for medical expense incurred
1647 due to bodily injury, sickness, or disease arising out of the
1648 ownership, maintenance, or use of a motor vehicle. The medical
1649 payments coverage must also provide each such person with a
1650 death benefit of at least \$5,000. This section may not be
1651 construed to limit any other coverage made available by an
1652 insurer. An insurer may not offer medical payments coverage with
1653 a deductible to an applicant or policyholder.

1654 (2) REQUIRED BENEFITS.—Medical payments coverage must
1655 provide coverage for all of the following if medically necessary
1656 and the individual initially receives such treatment within 14
1657 days after the motor vehicle accident:

1658 (a) Emergency transport and treatment by a provider
1659 licensed under chapter 401.

1660 (b) Emergency services and care provided by a hospital
1661 licensed under chapter 395.

1662 (c) Emergency services and care as defined in s. 395.002,
1663 provided in a facility licensed under chapter 395 and rendered



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1664 by a physician or dentist, and related hospital inpatient
1665 services rendered by a physician or dentist.

1666 (d) Hospital inpatient services, other than emergency
1667 services and care.

1668 (e) Hospital outpatient services, other than emergency
1669 services and care.

1670 (3) AUTHORIZED EXCLUSIONS.—Notwithstanding any other
1671 requirement in this section, an insurer may exclude medical
1672 payment benefits:

1673 (a) For injury sustained by the named insured or a resident
1674 relative while occupying another motor vehicle owned by the
1675 named insured and not insured under the policy, unless such
1676 vehicle qualifies as a newly acquired vehicle or temporary
1677 substitute vehicle.

1678 (b) For injury sustained by any person operating the
1679 insured motor vehicle without the express or implied consent of
1680 the insured.

1681 (c) For any person who intentionally causes injury to
1682 himself or herself.

1683 (d) For any person injured while committing a felony.

1684 (4) PAYMENT OF BENEFITS.—

1685 (a) Benefits due from an insurer under medical payments
1686 coverage are primary to any health insurance benefit of a person
1687 injured in a motor vehicle accident and apply to any coinsurance
1688 or deductible amount required by the injured person's health
1689 insurance policy, except that:

1690 1. Benefits received under any workers' compensation law
1691 must be credited against medical payments coverage benefits, and
1692 are due and payable as losses accrue, upon reasonable proof of



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1693 such losses and the amount of expenses and losses incurred which
1694 are covered by the policy issued under this section.

1695 2. When the Agency for Health Care Administration provides,
1696 pays for, or becomes liable for medical assistance under the
1697 Medicaid program which is related to injury, sickness, disease,
1698 or death arising out of the ownership, maintenance, or use of a
1699 motor vehicle, medical payments benefits are subject to the
1700 provisions of the Medicaid program, and, within 30 days after
1701 receiving notice that the Medicaid program paid such benefits,
1702 the insurer must repay the full amount of the benefits to the
1703 Medicaid program.

1704 (b) A medical payments insurance policy may include a
1705 provision allowing subrogation for medical payments benefits
1706 paid, if the expenses giving rise to the payments were caused by
1707 wrongful act or omission of another.

1708 (c) Upon receiving notice of an accident that is
1709 potentially covered by medical payments coverage benefits, the
1710 insurer must reserve \$2,500 of medical payments coverage
1711 benefits for payment to physicians licensed under chapter 458 or
1712 chapter 459 or dentists licensed under chapter 466 who provide
1713 emergency services and care, as defined in s. 395.002, or who
1714 provide hospital inpatient care. The amount required to be held
1715 in reserve may be used only to pay claims from such physicians
1716 or dentists until 30 days after the date the insurer receives
1717 notice of the accident. After the 30-day period, any amount of
1718 the reserve for which the insurer has not received notice of
1719 such claims may be used by the insurer to pay other claims. This
1720 paragraph does not require an insurer to establish a claim
1721 reserve for insurance accounting purposes.



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1722 (5) CHARGES FOR CARE OF INJURED PERSONS.—
1723 (a) A physician, hospital, clinic, or other person or
1724 institution lawfully providing medical care to an injured person
1725 for a bodily injury covered by medical payments coverage may
1726 charge the insurer and injured party only a reasonable amount
1727 pursuant to this section. However, such charges may not exceed
1728 the amount the person or institution customarily charges for
1729 like medical care. In determining whether a charge for a
1730 particular service, treatment, supply, or prescription is
1731 reasonable, consideration may be given to evidence of usual and
1732 customary charges and payments accepted by the provider involved
1733 in the dispute; reimbursement levels in the community and
1734 various federal and state medical fee schedules applicable to
1735 motor vehicle and other insurance coverages; and other
1736 information relevant to the reasonableness of the reimbursement
1737 for the service, treatment, supply, or prescription.
1738 1. The insurer may limit reimbursement to the following
1739 schedule of maximum charges:
1740 a. For emergency transport and treatment by providers
1741 licensed under chapter 401, 200 percent of Medicare.
1742 b. For emergency services and care provided by a hospital
1743 licensed under chapter 395, 75 percent of the hospital's usual
1744 and customary charges.
1745 c. For emergency services and care, as defined in s.
1746 395.002, provided in a facility licensed under chapter 395 and
1747 rendered by a physician or dentist, and related hospital
1748 inpatient services rendered by a physician or dentist, the usual
1749 and customary charges in the community.
1750 d. For hospital inpatient services other than emergency



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1751 services and care, 200 percent of the Medicare Part A
1752 prospective payment applicable to the specific hospital
1753 providing the inpatient services.

1754 e. For hospital outpatient services other than emergency
1755 services and care, 200 percent of the Medicare Part A Ambulatory
1756 Payment Classification for the specific hospital providing the
1757 outpatient services.

1758
1759 However, if such services, supplies, or care is not reimbursable
1760 under Medicare Part B as provided in this sub-subparagraph, the
1761 insurer may limit reimbursement to 80 percent of the maximum
1762 reimbursable allowance under workers' compensation. Services,
1763 supplies, or care that is not reimbursable under Medicare or
1764 workers' compensation is not required to be reimbursed by the
1765 insurer.

1766 2. For purposes of subparagraph 1., the applicable fee
1767 schedule or payment limitation under Medicare is the fee
1768 schedule or payment limitation in effect on March 1 of the
1769 service year in which the services, supplies, or care is
1770 rendered and for the area in which the services, supplies, or
1771 care is rendered. The applicable fee schedule or payment
1772 limitation applies to services, supplies, or care rendered
1773 during that service year notwithstanding any subsequent change
1774 made to the fee schedule or payment limitation; however, it may
1775 not be less than the allowable amount under the applicable
1776 schedule of Medicare Part B for 2007 for medical services,
1777 supplies, and care subject to Medicare Part B. For purposes of
1778 this subparagraph, the term "service year" means the period from
1779 March 1 through the end of February of the following year.



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1780 3. For purposes of subparagraph 1., the applicable fee
1781 schedule or payment limitation under workers' compensation is
1782 determined under s. 440.13 and rules adopted thereunder which
1783 are in effect at the time such services, supplies, or care is
1784 provided.

1785 4. Subparagraph 1. does not authorize the insurer to apply
1786 any limitation on the number of treatments or other utilization
1787 limits that apply under Medicare or workers' compensation. An
1788 insurer that applies the allowable payment limitations of
1789 subparagraph 1. must reimburse a provider who lawfully provided
1790 medical care under the scope of his or her license, regardless
1791 of whether the provider is entitled to reimbursement under
1792 Medicare or workers' compensation due to restrictions or
1793 limitations on the types or discipline of health care providers
1794 who may be reimbursed for particular procedures or procedure
1795 codes. However, subparagraph 1. does not prohibit an insurer
1796 from using the Medicare coding policies and payment
1797 methodologies of the federal Centers for Medicare and Medicaid
1798 Services, including applicable modifiers, to determine the
1799 appropriate amount of reimbursement for medical services,
1800 supplies, or care, if the coding policy or payment methodology
1801 does not constitute a utilization limit.

1802 5. If an insurer limits payment as authorized by
1803 subparagraph 1., the person providing such medical care may not
1804 bill or attempt to collect from the insured any amount in excess
1805 of such limits, except for amounts that are not covered by the
1806 insured's medical payments benefits due to the maximum policy
1807 limits.

1808 6. An insurer may limit payment as authorized by this



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1809 paragraph only if the insurance policy includes a notice at the
1810 time of issuance or renewal that the insurer may limit payment
1811 pursuant to the schedule of charges specified in this paragraph.
1812 A policy form approved by the office satisfies this requirement.
1813 If a provider submits a charge for an amount less than the
1814 amount allowed under subparagraph 1., the insurer may pay the
1815 amount of the charge submitted.

1816 (b)1. An insurer or insured is not required to pay a claim
1817 or charges:

1818 a. For any service or treatment that was not lawful at the
1819 time rendered;

1820 b. To any person who knowingly submits a false or
1821 misleading statement relating to the claim or charges; or

1822 c. For any treatment or service that is upcoded or that is
1823 unbundled when the treatment or services should be bundled. To
1824 facilitate prompt payment of lawful services, an insurer may
1825 change codes that it determines have been improperly or
1826 incorrectly upcoded or unbundled and may make payment based on
1827 the changed codes, without affecting the right of the provider
1828 to dispute the change by the insurer, if, before doing so, the
1829 insurer contacts the health care provider and discusses the
1830 reasons for the insurer's change and the health care provider's
1831 reason for the coding, or makes a reasonable good faith effort
1832 to do so, as documented in the insurer's file.

1833 2. The Department of Health, in consultation with the
1834 appropriate professional licensing boards, shall adopt by rule a
1835 list of diagnostic tests deemed not to be medically necessary
1836 for use in the treatment of persons sustaining bodily injury
1837 covered by medical payments benefits under this section. The



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1838 list must be revised from time to time as determined by the
1839 Department of Health in consultation with the respective
1840 professional licensing boards. Inclusion of a test on the list
1841 must be based on a lack of demonstrated medical value and a
1842 level of general acceptance by the relevant provider community
1843 and may not be dependent on results based entirely upon
1844 subjective patient response. Notwithstanding its inclusion on a
1845 fee schedule in this subsection, an insurer or insured is not
1846 required to pay any charges or reimburse claims for an invalid
1847 diagnostic test as determined by the Department of Health.

1848 (c) With respect to any medical care other than medical
1849 services billed by a hospital or other provider for emergency
1850 services and care, as defined in s. 395.002, or inpatient
1851 services rendered at a hospital-owned facility, the statement of
1852 charges must be furnished to the insurer by the provider.

1853 (d) All statements and bills for medical services rendered
1854 by a physician, hospital, clinic, or other person or institution
1855 must be submitted to the insurer on a properly completed Centers
1856 for Medicare and Medicaid Services Form CMS-1500, a UB-92 form,
1857 or any other standard form approved by the office and adopted by
1858 the commission for purposes of this paragraph. All billings for
1859 such services rendered by providers must, to the extent
1860 applicable, comply with the Form CMS-1500 instructions, the
1861 codes established by the American Medical Association's Current
1862 Procedural Terminology Editorial Panel, and the Healthcare
1863 Common Procedure Coding System (HCPCS) and must follow the
1864 Physicians' Current Procedural Terminology (CPT), the HCPCS in
1865 effect for the year in which services are rendered, and the
1866 International Classification of Diseases adopted by the United



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1867 States Department of Health and Human Services in effect for the
1868 year in which services are rendered. The guidance for
1869 determining compliance with applicable CPT and HCPCS coding must
1870 be provided by the CPT or the HCPCS in effect for the year in
1871 which services were rendered, the Office of the Inspector
1872 General, Physicians Compliance Guidelines, and other
1873 authoritative treatises designated by rule by the Agency for
1874 Health Care Administration. A statement of medical services may
1875 not include charges for medical services of a person or entity
1876 that performed such services without possessing the valid
1877 licenses required to perform such services.

1878 (6) CIVIL ACTION FOR INSURANCE FRAUD.—An insurer has a
1879 cause of action against any person convicted of, or who,
1880 regardless of adjudication of guilt, pleads guilty or nolo
1881 contendere to, insurance fraud under s. 817.234, patient
1882 brokering under s. 817.505, or kickbacks under s. 456.054,
1883 associated with a claim for medical payments coverage benefits
1884 in accordance with this section. An insurer prevailing in an
1885 action brought under this subsection may recover compensatory,
1886 consequential, and punitive damages subject to the requirements
1887 and limitations of part II of chapter 768 and attorney fees and
1888 costs incurred in litigating a cause of action against any
1889 person convicted of, or who, regardless of adjudication of
1890 guilt, pleads guilty or nolo contendere to, insurance fraud
1891 under s. 817.234, patient brokering under s. 817.505, or
1892 kickbacks under s. 456.054, associated with a claim for medical
1893 payments coverage benefits in accordance with this section.

1894 (7) FRAUD ADVISORY NOTICE.—Upon receiving notice of a claim
1895 under this section, an insurer shall provide a notice to the



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1896 insured or to a person for whom a claim for reimbursement for
1897 diagnosis or treatment of injuries has been filed, advising
1898 that:

1899 (a) Pursuant to s. 626.9892, the department may pay rewards
1900 of up to \$25,000 to persons who provide information leading to
1901 the arrest and conviction of persons committing crimes
1902 investigated by the Division of Investigative and Forensic
1903 Services arising from violations of s. 440.105, s. 624.15, s.
1904 626.9541, s. 626.989, or s. 817.234.

1905 (b) Solicitation of a person injured in a motor vehicle
1906 crash for purposes of filing medical payments coverage or tort
1907 claims could be a violation of s. 817.234, s. 817.505, or the
1908 rules regulating The Florida Bar and should be immediately
1909 reported to the Division of Investigative and Forensic Services
1910 if such conduct has taken place.

1911 (8) NONREIMBURSABLE CLAIMS.—Claims generated as a result of
1912 activities that are unlawful pursuant to s. 817.505 are not
1913 reimbursable.

1914 (9) SECURE ELECTRONIC DATA TRANSFER.—A notice,
1915 documentation, transmission, or communication of any kind
1916 required or authorized under this section may be transmitted
1917 electronically if it is transmitted by secure electronic data
1918 transfer that is consistent with state and federal privacy and
1919 security laws.

1920 Section 40. Subsections (1) and (7) of section 627.727,
1921 Florida Statutes, are amended, and present subsections (8), (9),
1922 and (10) of that section are redesignated as subsections (7),
1923 (8), and (9), respectively, to read:

1924 627.727 Motor vehicle insurance; uninsured and underinsured



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1925 vehicle coverage; insolvent insurer protection.-
1926 (1) A ~~No~~ motor vehicle liability insurance policy that
1927 ~~which~~ provides bodily injury liability coverage may not ~~shall~~ be
1928 delivered or issued for delivery in this state with respect to
1929 any specifically insured or identified motor vehicle registered
1930 or principally garaged in this state, unless uninsured motor
1931 vehicle coverage is provided therein or supplemental thereto for
1932 the protection of persons insured thereunder who are legally
1933 entitled to recover damages from owners or operators of
1934 uninsured motor vehicles because of bodily injury, sickness, or
1935 disease, including death, resulting therefrom. However, the
1936 coverage required under this section is not applicable if ~~when~~,
1937 or to the extent that, an insured named in the policy makes a
1938 written rejection of the coverage on behalf of all insureds
1939 under the policy. If ~~When~~ a motor vehicle is leased for ~~a period~~
1940 ~~of~~ 1 year or longer and the lessor of such vehicle, by the terms
1941 of the lease contract, provides liability coverage on the leased
1942 vehicle, the lessee of such vehicle has ~~shall have~~ the sole
1943 privilege to reject uninsured motorist coverage or to select
1944 lower limits than the bodily injury liability limits, regardless
1945 of whether the lessor is qualified as a self-insurer pursuant to
1946 s. 324.171. Unless an insured, or lessee having the privilege of
1947 rejecting uninsured motorist coverage, requests such coverage or
1948 requests higher uninsured motorist limits in writing, the
1949 coverage or such higher uninsured motorist limits need not be
1950 provided in or supplemental to any other policy which renews,
1951 extends, changes, supersedes, or replaces an existing policy
1952 with the same bodily injury liability limits when an insured or
1953 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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1983 under this section must ~~shall~~ be over and above, but may ~~shall~~
1984 not duplicate, the benefits available to an insured under any
1985 workers' compensation law, ~~personal injury protection benefits,~~
1986 disability benefits law, or similar law; under any automobile
1987 medical payments ~~expense~~ coverage; under any motor vehicle
1988 liability insurance coverage; or from the owner or operator of
1989 the uninsured motor vehicle or any other person or organization
1990 jointly or severally liable together with such owner or operator
1991 for the accident; and such coverage must ~~shall~~ cover the
1992 difference, if any, between the sum of such benefits and the
1993 damages sustained, up to the maximum amount of such coverage
1994 provided under this section. The amount of coverage available
1995 under this section may ~~shall~~ not be reduced by a setoff against
1996 any coverage, including liability insurance. Such coverage does
1997 ~~shall~~ not inure directly or indirectly to the benefit of any
1998 workers' compensation or disability benefits carrier or any
1999 person or organization qualifying as a self-insurer under any
2000 workers' compensation or disability benefits law or similar law.

2001 ~~(7) The legal liability of an uninsured motorist coverage~~
2002 ~~insurer does not include damages in tort for pain, suffering,~~
2003 ~~mental anguish, and inconvenience unless the injury or disease~~
2004 ~~is described in one or more of paragraphs (a) (d) of s.~~
2005 ~~627.737(2).~~

2006 Section 41. Subsection (1) and paragraphs (a) and (b) of
2007 subsection (2) of section 627.7275, Florida Statutes, are
2008 amended to read:

2009 627.7275 Motor vehicle liability.—

2010 (1) A motor vehicle insurance policy ~~providing personal~~
2011 ~~injury protection as set forth in s. 627.736 may not be~~



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2012 delivered or issued for delivery in this state for a with
2013 ~~respect to any~~ specifically insured or identified motor vehicle
2014 registered or principally garaged in this state must provide
2015 bodily injury liability coverage and ~~unless the policy also~~
2016 ~~provides coverage for~~ property damage liability coverage as
2017 required under ~~by~~ s. 324.022, and medical payments coverage as
2018 required under s. 627.7265.

2019 (2) (a) Insurers writing motor vehicle insurance in this
2020 state shall make available, subject to the insurers' usual
2021 underwriting restrictions:

2022 1. Coverage under policies as described in subsection (1)
2023 to an applicant for private passenger motor vehicle insurance
2024 coverage who is seeking the coverage in order to reinstate the
2025 applicant's driving privileges in this state if the driving
2026 privileges were revoked or suspended pursuant to s. 316.646 or
2027 s. 324.0221 due to the failure of the applicant to maintain
2028 required security.

2029 2. Coverage under policies as described in subsection (1),
2030 which includes bodily injury ~~also provides~~ liability coverage
2031 and property damage liability coverage ~~for bodily injury, death,~~
2032 ~~and property damage arising out of the ownership, maintenance,~~
2033 ~~or use of the motor vehicle~~ in an amount not less than the
2034 minimum limits required under ~~described in~~ s. 324.021(7) or s.
2035 324.023 and which conforms to the requirements of s. 324.151, to
2036 an applicant for private passenger motor vehicle insurance
2037 coverage who is seeking the coverage in order to reinstate the
2038 applicant's driving privileges in this state after such
2039 privileges were revoked or suspended under s. 316.193 or s.
2040 322.26(2) for driving under the influence.



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2041 (b) The policies described in paragraph (a) must ~~shall~~ be
2042 issued for at least 6 months and, as to the minimum coverages
2043 required under this section, may not be canceled by the insured
2044 for any reason or by the insurer after 60 days, during which
2045 period the insurer is completing the underwriting of the policy.
2046 After the insurer has completed underwriting the policy, the
2047 insurer shall notify the Department of Highway Safety and Motor
2048 Vehicles that the policy is in full force and effect and is not
2049 cancelable for the remainder of the policy period. A premium
2050 must ~~shall~~ be collected and the coverage is in effect for the
2051 60-day period during which the insurer is completing the
2052 underwriting of the policy, whether or not the person's driver
2053 license, motor vehicle tag, and motor vehicle registration are
2054 in effect. Once the noncancelable provisions of the policy
2055 become effective, the bodily injury liability and property
2056 damage liability coverages ~~for bodily injury, property damage,~~
2057 ~~and personal injury protection~~ may not be reduced below the
2058 minimum limits required under s. 324.021 or s. 324.023 during
2059 the policy period, and the medical payments coverage may not be
2060 reduced below the minimum limit required under s. 627.7265.

2061 Section 42. Paragraph (a) of subsection (1) of section
2062 627.728, Florida Statutes, is amended to read:

2063 627.728 Cancellations; nonrenewals.—

2064 (1) As used in this section, the term:

2065 (a) "Policy" means the bodily injury and property damage
2066 liability, ~~personal injury protection~~, medical payments,
2067 comprehensive, collision, and uninsured motorist coverage
2068 portions of a policy of motor vehicle insurance delivered or
2069 issued for delivery in this state:



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2070 1. Insuring a natural person as named insured or one or
2071 more related individuals who are residents ~~resident~~ of the same
2072 household; and

2073 2. Insuring only a motor vehicle of the private passenger
2074 type or station wagon type which is not used as a public or
2075 livery conveyance for passengers or rented to others; or
2076 insuring any other four-wheel motor vehicle having a load
2077 capacity of 1,500 pounds or less which is not used in the
2078 occupation, profession, or business of the insured other than
2079 farming; other than any policy issued under an automobile
2080 insurance assigned risk plan or covering garage, automobile
2081 sales agency, repair shop, service station, or public parking
2082 place operation hazards.

2083
2084 The term "policy" does not include a binder as defined in s.
2085 627.420 unless the duration of the binder period exceeds 60
2086 days.

2087 Section 43. Subsection (1), paragraph (a) of subsection
2088 (5), and subsections (6) and (7) of section 627.7295, Florida
2089 Statutes, are amended to read:

2090 627.7295 Motor vehicle insurance contracts.—

2091 (1) As used in this section, the term:

2092 (a) "Policy" means a motor vehicle insurance policy that
2093 provides bodily injury liability ~~personal injury protection~~
2094 coverage, property damage liability coverage, and medical
2095 payments coverage ~~or both~~.

2096 (b) "Binder" means a binder that provides motor vehicle
2097 bodily injury liability coverage, ~~personal injury protection and~~
2098 property damage liability coverage, and medical payments



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2099 coverage.

2100 (5) (a) A licensed general lines agent may charge a per-
2101 policy fee up to ~~not to exceed~~ \$10 to cover the administrative
2102 costs of the agent associated with selling the motor vehicle
2103 insurance policy if the policy covers only bodily injury
2104 liability coverage, ~~personal injury protection coverage as~~
2105 ~~provided by s. 627.736 and~~ property damage liability coverage,
2106 and medical payments coverage as provided by s. 627.7275 and if
2107 no other insurance is sold or issued in conjunction with or
2108 collateral to the policy. The fee is not ~~considered~~ part of the
2109 premium.

2110 (6) If a motor vehicle owner's driver license, license
2111 plate, and registration have previously been suspended pursuant
2112 to s. 316.646 ~~or s. 627.733~~, an insurer may cancel a new policy
2113 only as provided in s. 627.7275.

2114 (7) A policy of private passenger motor vehicle insurance
2115 or a binder for such a policy may be initially issued in this
2116 state only if, before the effective date of such binder or
2117 policy, the insurer or agent has collected ~~from the insured an~~
2118 ~~amount equal to~~ 2 months' premium from the insured. An insurer,
2119 agent, or premium finance company may not, directly or
2120 indirectly, take any action that results ~~resulting~~ in the
2121 insured paying ~~having paid~~ from the insured's own funds an
2122 amount less than the 2 months' premium required by this
2123 subsection. This subsection applies without regard to whether
2124 the premium is financed by a premium finance company or is paid
2125 pursuant to a periodic payment plan of an insurer or an
2126 insurance agent.

2127 (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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2157 Section 44. Subsections (1) and (2) of section 627.7415,
2158 Florida Statutes, are amended to read:

2159 627.7415 Commercial motor vehicles; additional liability
2160 insurance coverage.—Commercial motor vehicles, as defined in s.
2161 207.002 or s. 320.01, operated upon the roads and highways of
2162 this state shall be insured with the ~~following~~ minimum levels of
2163 combined bodily liability insurance and property damage
2164 liability insurance under subsections (1) and (2) in addition to
2165 any other insurance requirements.÷

2166 (1) ~~Fifty thousand dollars per occurrence~~ For a commercial
2167 motor vehicle with a gross vehicle weight of 26,000 pounds or
2168 more, but less than 35,000 pounds:

2169 (a) Beginning January 1, 2019, through December 31, 2020,
2170 no less than \$50,000 per occurrence.

2171 (b) Beginning January 1, 2021, through December 31, 2022,
2172 no less than \$60,000 per occurrence.

2173 (c) Beginning January 1, 2023, and thereafter, no less than
2174 \$70,000 per occurrence.

2175 (2) ~~One hundred thousand dollars per occurrence~~ For a
2176 commercial motor vehicle with a gross vehicle weight of 35,000
2177 pounds or more, but less than 44,000 pounds:

2178 (a) Beginning January 1, 2019, through December 31, 2020,
2179 no less than \$100,000 per occurrence.

2180 (b) Beginning January 1, 2021, through December 31, 2022,
2181 no less than \$120,000 per occurrence.

2182 (c) Beginning January 1, 2023, and thereafter, no less than
2183 \$140,000 per occurrence.

2184
2185 A violation of this section is a noncriminal traffic infraction,



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2186 punishable as a nonmoving violation as provided in chapter 318.

2187 Section 45. Section 627.8405, Florida Statutes, is amended
2188 to read:

2189 627.8405 Prohibited acts; financing companies.—~~A No~~ premium
2190 finance company ~~shall~~, in a premium finance agreement or other
2191 agreement, may not finance the cost of or otherwise provide for
2192 the collection or remittance of dues, assessments, fees, or
2193 other periodic payments of money for the cost of:

2194 (1) A membership in an automobile club. The term
2195 "automobile club" means a legal entity that ~~which~~, in
2196 consideration of dues, assessments, or periodic payments of
2197 money, promises its members or subscribers to assist them in
2198 matters relating to the ownership, operation, use, or
2199 maintenance of a motor vehicle; however, the term ~~this~~
2200 ~~definition of "automobile club"~~ does not include persons,
2201 associations, or corporations ~~which are~~ organized and operated
2202 solely for the purpose of conducting, sponsoring, or sanctioning
2203 motor vehicle races, exhibitions, or contests upon racetracks,
2204 or upon racecourses established and marked as such for the
2205 duration of such particular events. The term ~~words~~ "motor
2206 vehicle" used herein has ~~have~~ the same meaning as defined in
2207 chapter 320.

2208 (2) An accidental death and dismemberment policy sold in
2209 combination with a policy providing only medical payments
2210 coverage, bodily injury liability coverage, personal injury
2211 ~~protection~~ and property damage liability coverage only ~~policy~~.

2212 (3) Any product not regulated under ~~the provisions of this~~
2213 insurance code.

2214



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2215 This section also applies to premium financing by any insurance
2216 agent or insurance company under part XVI. The commission shall
2217 adopt rules to assure disclosure, at the time of sale, of
2218 coverages financed ~~with personal injury protection~~ and shall
2219 prescribe the form of such disclosure.

2220 Section 46. Subsection (1) of section 627.915, Florida
2221 Statutes, is amended to read:

2222 627.915 Insurer experience reporting.—

2223 (1) Each insurer transacting private passenger automobile
2224 insurance in this state shall report certain information
2225 annually to the office. The information will be due on or before
2226 July 1 of each year. The information must ~~shall~~ be divided into
2227 the following categories: bodily injury liability; property
2228 damage liability; uninsured motorist; ~~personal injury protection~~
2229 ~~benefits~~; medical payments; and comprehensive and collision. The
2230 information given must ~~shall~~ be on direct insurance writings in
2231 the state alone and ~~shall~~ represent total limits data. The
2232 information set forth in paragraphs (a)-(f) is applicable to
2233 voluntary private passenger and Joint Underwriting Association
2234 private passenger writings and must ~~shall~~ be reported for each
2235 of the latest 3 calendar-accident years, with an evaluation date
2236 of March 31 of the current year. The information set forth in
2237 paragraphs (g)-(j) is applicable to voluntary private passenger
2238 writings and must ~~shall~~ be reported on a calendar-accident year
2239 basis ultimately seven times at seven different stages of
2240 development.

2241 (a) Premiums earned for the latest 3 calendar-accident
2242 years.

2243 (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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2273 (a) Chapter 624, except for ss. 624.407, 624.408, 624.4085,
2274 624.40851, 624.4095, 624.411, 624.425, 624.426, and 624.609(1).

2275 (b) Chapter 625, part II, if the industrial insured captive
2276 insurance company is incorporated in this state.

2277 (c) Chapter 626, part IX.

2278 (d) ~~Sections 627.730-627.7405 when no-fault coverage is~~
2279 ~~provided.~~

2280 ~~(e)~~ Chapter 628, except for ss. 628.341, 628.351, and
2281 628.6018.

2282 Section 48. Subsections (2), (6), and (7) of section
2283 705.184, Florida Statutes, are amended to read:

2284 705.184 Derelict or abandoned motor vehicles on the
2285 premises of public-use airports.-

2286 (2) The airport director or the director's designee shall
2287 contact the Department of Highway Safety and Motor Vehicles to
2288 notify that department that the airport has possession of the
2289 abandoned or derelict motor vehicle and to determine the name
2290 and address of the owner of the motor vehicle, the insurance
2291 company insuring the motor vehicle, ~~notwithstanding the~~
2292 ~~provisions of s. 627.736,~~ and any person who has filed a lien on
2293 the motor vehicle. Within 7 business days after receipt of the
2294 information, the director or the director's designee shall send
2295 notice by certified mail, return receipt requested, to the owner
2296 of the motor vehicle, the insurance company insuring the motor
2297 vehicle, ~~notwithstanding the provisions of s. 627.736,~~ and all
2298 persons of record claiming a lien against the motor vehicle. The
2299 notice must ~~shall~~ state the fact of possession of the motor
2300 vehicle, that charges for reasonable towing, storage, and
2301 parking fees, if any, have accrued and the amount thereof, that



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2302 a lien as provided in subsection (6) will be claimed, that the
2303 lien is subject to enforcement pursuant to law, that the owner
2304 or lienholder, if any, has the right to a hearing as set forth
2305 in subsection (4), and that any motor vehicle which, at the end
2306 of 30 calendar days after receipt of the notice, has not been
2307 removed from the airport upon payment in full of all accrued
2308 charges for reasonable towing, storage, and parking fees, if
2309 any, may be disposed of as provided in s. 705.182(2)(a), (b),
2310 (d), or (e), including, but not limited to, the motor vehicle
2311 being sold free of all prior liens after 35 calendar days after
2312 the time the motor vehicle is stored if any prior liens on the
2313 motor vehicle are more than 5 years of age or after 50 calendar
2314 days after the time the motor vehicle is stored if any prior
2315 liens on the motor vehicle are 5 years of age or less.

2316 (6) The airport pursuant to this section or, if used, a
2317 licensed independent wrecker company pursuant to s. 713.78 shall
2318 have a lien on an abandoned or derelict motor vehicle for all
2319 reasonable towing, storage, and accrued parking fees, if any,
2320 except that no storage fee may ~~shall~~ be charged if the motor
2321 vehicle is stored less than 6 hours. As a prerequisite to
2322 perfecting a lien under this section, the airport director or
2323 the director's designee must serve a notice in accordance with
2324 subsection (2) on the owner of the motor vehicle, the insurance
2325 company insuring the motor vehicle, ~~notwithstanding the~~
2326 ~~provisions of s. 627.736,~~ and all persons of record claiming a
2327 lien against the motor vehicle. If attempts to notify the owner,
2328 the insurance company insuring the motor vehicle,
2329 ~~notwithstanding the provisions of s. 627.736,~~ or lienholders are
2330 not successful, the requirement of notice by mail shall be



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2331 considered met. Serving of the notice does not dispense with
2332 recording the claim of lien.

2333 (7) (a) For the purpose of perfecting its lien under this
2334 section, the airport shall record a claim of lien which states
2335 ~~shall state~~:

2336 1. The name and address of the airport.

2337 2. The name of the owner of the motor vehicle, the
2338 insurance company insuring the motor vehicle, ~~notwithstanding~~
2339 ~~the provisions of s. 627.736~~, and all persons of record claiming
2340 a lien against the motor vehicle.

2341 3. The costs incurred from reasonable towing, storage, and
2342 parking fees, if any.

2343 4. A description of the motor vehicle sufficient for
2344 identification.

2345 (b) The claim of lien must ~~shall~~ be signed and sworn to or
2346 affirmed by the airport director or the director's designee.

2347 (c) The claim of lien is ~~shall be~~ sufficient if it is in
2348 substantially the following form:

2349

2350 CLAIM OF LIEN

2351 State of

2352 County of

2353 Before me, the undersigned notary public, personally appeared

2354, who was duly sworn and says that he/she is the

2355 of, whose address is.....; and that the
2356 following described motor vehicle:

2357 ...(Description of motor vehicle)...

2358 owned by, whose address is, has accrued

2359 \$..... in fees for a reasonable tow, for storage, and for



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2360 parking, if applicable; that the lienor served its notice to the
2361 owner, the insurance company insuring the motor vehicle
2362 ~~notwithstanding the provisions of s. 627.736, Florida Statutes,~~
2363 and all persons of record claiming a lien against the motor
2364 vehicle on, ...(year)...., by.....

2365 ...(Signature)...

2366 Sworn to (or affirmed) and subscribed before me this day of
2367, ...(year)...., by ...(name of person making statement)....

2368 ...(Signature of Notary Public).....(Print, Type, or Stamp
2369 Commissioned name of Notary Public)...

2370 Personally Known...OR Produced...as identification.

2371

2372 However, the negligent inclusion or omission of any information
2373 in this claim of lien which does not prejudice the owner does
2374 not constitute a default that operates to defeat an otherwise
2375 valid lien.

2376 (d) The claim of lien must ~~shall~~ be served on the owner of
2377 the motor vehicle, the insurance company insuring the motor
2378 vehicle, ~~notwithstanding the provisions of s. 627.736,~~ and all
2379 persons of record claiming a lien against the motor vehicle. If
2380 attempts to notify the owner, the insurance company insuring the
2381 motor vehicle ~~notwithstanding the provisions of s. 627.736,~~ or
2382 lienholders are not successful, the requirement of notice by
2383 mail shall be considered met. The claim of lien must ~~shall~~ be so
2384 served before recordation.

2385 (e) The claim of lien must ~~shall~~ be recorded with the clerk
2386 of court in the county where the airport is located. The
2387 recording of the claim of lien shall be constructive notice to
2388 all persons of the contents and effect of such claim. The lien



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2389 attaches shall attach at the time of recordation and takes shall
2390 take priority as of that time.

2391 Section 49. Subsection (4) of section 713.78, Florida
2392 Statutes, is amended to read:

2393 713.78 Liens for recovering, towing, or storing vehicles
2394 and vessels.-

2395 (4) (a) Any person regularly engaged in the business of
2396 recovering, towing, or storing vehicles or vessels who comes
2397 into possession of a vehicle or vessel pursuant to subsection
2398 (2), and who claims a lien for recovery, towing, or storage
2399 services, shall give notice to the registered owner, the
2400 insurance company insuring the vehicle ~~notwithstanding the~~
2401 ~~provisions of s. 627.736~~, and to all persons claiming a lien
2402 thereon, as disclosed by the records in the Department of
2403 Highway Safety and Motor Vehicles or as disclosed by the records
2404 of any corresponding agency in any other state in which the
2405 vehicle is identified through a records check of the National
2406 Motor Vehicle Title Information System or an equivalent
2407 commercially available system as being titled or registered.

2408 (b) If a ~~Whenever any~~ law enforcement agency authorizes the
2409 removal of a vehicle or vessel or if a ~~whenever any~~ towing
2410 service, garage, repair shop, or automotive service, storage, or
2411 parking place notifies the law enforcement agency of possession
2412 of a vehicle or vessel pursuant to s. 715.07(2) (a)2., the law
2413 enforcement agency of the jurisdiction where the vehicle or
2414 vessel is stored shall contact the Department of Highway Safety
2415 and Motor Vehicles, or the appropriate agency of the state of
2416 registration, if known, within 24 hours through the medium of
2417 electronic communications, giving the full description of the



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2418 vehicle or vessel. Upon receipt of the full description of the
2419 vehicle or vessel, the department shall search its files to
2420 determine the owner's name, the insurance company insuring the
2421 vehicle or vessel, and whether any person has filed a lien upon
2422 the vehicle or vessel as provided in s. 319.27(2) and (3) and
2423 notify the applicable law enforcement agency within 72 hours.
2424 The person in charge of the towing service, garage, repair shop,
2425 or automotive service, storage, or parking place shall obtain
2426 such information from the applicable law enforcement agency
2427 within 5 days after the date of storage and shall give notice
2428 pursuant to paragraph (a). The department may release the
2429 insurance company information to the requestor ~~notwithstanding~~
2430 ~~the provisions of s. 627.736.~~

2431 (c) Notice by certified mail must ~~shall~~ be sent within 7
2432 business days after the date of storage of the vehicle or vessel
2433 to the registered owner, the insurance company insuring the
2434 vehicle ~~notwithstanding the provisions of s. 627.736~~, and all
2435 persons of record claiming a lien against the vehicle or vessel.
2436 The notice must ~~It shall~~ state the fact of possession of the
2437 vehicle or vessel, that a lien as provided in subsection (2) is
2438 claimed, that charges have accrued and the amount thereof, that
2439 the lien is subject to enforcement pursuant to law, ~~and~~ that the
2440 owner or lienholder, if any, has the right to a hearing as set
2441 forth in subsection (5), and that any vehicle or vessel which
2442 remains unclaimed, or for which the charges for recovery,
2443 towing, or storage services remain unpaid, may be sold free of
2444 all prior liens after 35 days if the vehicle or vessel is more
2445 than 3 years of age or after 50 days if the vehicle or vessel is
2446 3 years of age or less.



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2447 (d) If attempts to locate the name and address of the owner
2448 or lienholder prove unsuccessful, the towing-storage operator
2449 must ~~shall~~, after 7 working days, excluding Saturday and Sunday,
2450 of the initial tow or storage, notify the public agency of
2451 jurisdiction where the vehicle or vessel is stored in writing by
2452 certified mail or acknowledged hand delivery that the towing-
2453 storage company has been unable to locate the name and address
2454 of the owner or lienholder and a physical search of the vehicle
2455 or vessel has disclosed no ownership information and a good
2456 faith effort has been made, including records checks of the
2457 Department of Highway Safety and Motor Vehicles database and the
2458 National Motor Vehicle Title Information System or an equivalent
2459 commercially available system. As used in ~~For purposes of~~ this
2460 paragraph and subsection (9), the term "good faith effort" means
2461 that the following checks have been performed by the company to
2462 establish prior state of registration and for title:

2463 1. Check of the Department of Highway Safety and Motor
2464 Vehicles database for the owner and any lienholder.

2465 2. Check of the electronic National Motor Vehicle Title
2466 Information System or an equivalent commercially available
2467 system to determine the state of registration when there is not
2468 a current registration record for the vehicle on file with the
2469 Department of Highway Safety and Motor Vehicles.

2470 3. Check of vehicle or vessel for any type of tag, tag
2471 record, temporary tag, or regular tag.

2472 4. Check of law enforcement report for tag number or other
2473 information identifying the vehicle or vessel, if the vehicle or
2474 vessel was towed at the request of a law enforcement officer.

2475 5. Check of trip sheet or tow ticket of tow truck operator



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2476 to see if a tag was on vehicle or vessel at beginning of tow, if
2477 private tow.

2478 6. If there is no address of the owner on the impound
2479 report, check of law enforcement report to see if an out-of-
2480 state address is indicated from driver license information.

2481 7. Check of vehicle or vessel for inspection sticker or
2482 other stickers and decals that may indicate a state of possible
2483 registration.

2484 8. Check of the interior of the vehicle or vessel for any
2485 papers that may be in the glove box, trunk, or other areas for a
2486 state of registration.

2487 9. Check of vehicle for vehicle identification number.

2488 10. Check of vessel for vessel registration number.

2489 11. Check of vessel hull for a hull identification number
2490 which should be carved, burned, stamped, embossed, or otherwise
2491 permanently affixed to the outboard side of the transom or, if
2492 there is no transom, to the outmost seaboard side at the end of
2493 the hull that bears the rudder or other steering mechanism.

2494 Section 50. Paragraph (a) of subsection (1), paragraph (c)
2495 of subsection (7), paragraphs (a), (b), and (c) of subsection
2496 (8), and subsections (9) and (10) of section 817.234, Florida
2497 Statutes, are amended to read:

2498 817.234 False and fraudulent insurance claims.—

2499 (1)(a) A person commits insurance fraud punishable as
2500 provided in subsection (11) if that person, with the intent to
2501 injure, defraud, or deceive any insurer:

2502 1. Presents or causes to be presented any written or oral
2503 statement as part of, or in support of, a claim for payment or
2504 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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2534 health care clinic, seeking an exemption from licensure as a
2535 health care clinic, or demonstrating compliance with part X of
2536 chapter 400.

2537 (7)

2538 ~~(c) An insurer, or any person acting at the direction of or~~
2539 ~~on behalf of an insurer, may not change an opinion in a mental~~
2540 ~~or physical report prepared under s. 627.736(7) or direct the~~
2541 ~~physician preparing the report to change such opinion; however,~~
2542 ~~this provision does not preclude the insurer from calling to the~~
2543 ~~attention of the physician errors of fact in the report based~~
2544 ~~upon information in the claim file. Any person who violates this~~
2545 ~~paragraph commits a felony of the third degree, punishable as~~
2546 ~~provided in s. 775.082, s. 775.083, or s. 775.084.~~

2547 (8) (a) It is unlawful for any person intending to defraud
2548 any other person to solicit or cause to be solicited any
2549 business from a person involved in a motor vehicle accident for
2550 the purpose of making, adjusting, or settling motor vehicle tort
2551 claims or claims for benefits under medical payments coverage in
2552 a motor vehicle insurance policy ~~personal injury protection~~
2553 ~~benefits required by s. 627.736. Any person who violates the~~
2554 ~~provisions of this paragraph commits a felony of the second~~
2555 ~~degree, punishable as provided in s. 775.082, s. 775.083, or s.~~
2556 ~~775.084. A person who is convicted of a violation of this~~
2557 ~~subsection shall be sentenced to a minimum term of imprisonment~~
2558 ~~of 2 years.~~

2559 (b) A person may not solicit or cause to be solicited any
2560 business from a person involved in a motor vehicle accident by
2561 any means of communication other than advertising directed to
2562 the public for the purpose of making motor vehicle tort claims



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2563 or claims for benefits under medical payments coverage in a
2564 motor vehicle insurance policy ~~personal injury protection~~
2565 ~~benefits required by s. 627.736,~~ within 60 days after the
2566 occurrence of the motor vehicle accident. Any person who
2567 violates this paragraph commits a felony of the third degree,
2568 punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

2569 (c) A lawyer, health care practitioner as defined in s.
2570 456.001, or owner or medical director of a clinic required to be
2571 licensed pursuant to s. 400.9905 may not, at any time after 60
2572 days have elapsed from the occurrence of a motor vehicle
2573 accident, solicit or cause to be solicited any business from a
2574 person involved in a motor vehicle accident by means of in
2575 person or telephone contact at the person's residence, for the
2576 purpose of making motor vehicle tort claims or claims for
2577 benefits under medical payments coverage in a motor vehicle
2578 insurance policy ~~personal injury protection benefits required by~~
2579 ~~s. 627.736.~~ Any person who violates this paragraph commits a
2580 felony of the third degree, punishable as provided in s.
2581 775.082, s. 775.083, or s. 775.084.

2582 (9) A person may not organize, plan, or knowingly
2583 participate in an intentional motor vehicle crash or a scheme to
2584 create documentation of a motor vehicle crash that did not occur
2585 for the purpose of making motor vehicle tort claims or claims
2586 for benefits under medical payments coverage in a motor vehicle
2587 insurance policy ~~personal injury protection benefits as required~~
2588 ~~by s. 627.736.~~ Any person who violates this subsection commits a
2589 felony of the second degree, punishable as provided in s.
2590 775.082, s. 775.083, or s. 775.084. A person who is convicted of
2591 a violation of this subsection shall be sentenced to a minimum



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2592 term of imprisonment of 2 years.

2593 (10) A licensed health care practitioner who is found
2594 guilty of insurance fraud under this section for an act relating
2595 to a motor vehicle ~~personal injury protection~~ insurance policy
2596 loses his or her license to practice for 5 years and may not
2597 receive reimbursement under medical payments coverage in a motor
2598 vehicle insurance policy for ~~personal injury protection~~ benefits
2599 for 10 years.

2600 Section 51. Applicability and construction; notice to
2601 policyholders.-

2602 (1) As used in this section, the term "minimum security
2603 requirements" means security that enables a person to respond in
2604 damages for liability on account of crashes arising out of the
2605 ownership, maintenance, or use of a motor vehicle in the amounts
2606 required by s. 324.021(7), Florida Statutes.

2607 (2) Effective January 1, 2019:

2608 (a) Motor vehicle insurance policies issued or renewed on
2609 or after that date may not include personal injury protection.

2610 (b) All persons subject to s. 324.022, s. 324.032, s.
2611 627.7415, or s. 627.742, Florida Statutes, must maintain at
2612 least minimum security requirements.

2613 (c) Any new or renewal motor vehicle insurance policy
2614 delivered or issued for delivery in this state must provide
2615 coverage that complies with minimum security requirements.

2616 (d) Any new or renewal motor vehicle insurance policy
2617 furnished to an owner or operator of a motor vehicle as proof of
2618 financial responsibility pursuant to s. 324.022 or s. 324.031,
2619 Florida Statutes, must provide medical payments coverage that
2620 complies with s. 627.7265, Florida Statutes.



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2621 (e) An existing motor vehicle insurance policy issued
2622 before that date which provides personal injury protection and
2623 property damage liability coverage that meets the requirements
2624 of s. 324.022, Florida Statutes, on December 31, 2018, but which
2625 does not meet minimum security requirements on or after January
2626 1, 2019, is deemed to meet the security requirements of s.
2627 324.022, Florida Statutes, and the medical payments coverage
2628 requirements of s. 627.7265, Florida Statutes, until such policy
2629 is renewed, nonrenewed, or canceled on or after January 1, 2019.

2630 (3) Each insurer shall allow each insured who has a new or
2631 renewal policy providing personal injury protection, which
2632 becomes effective before January 1, 2019, and whose policy does
2633 not meet minimum security requirements on or after January 1,
2634 2019, to change coverages so as to eliminate personal injury
2635 protection and obtain coverage providing minimum security
2636 requirements, which shall be effective on or after January 1,
2637 2019. The insurer is not required to provide coverage complying
2638 with minimum security requirements in such policies if the
2639 insured does not pay the required premium, if any, by January 1,
2640 2019, or such later date as the insurer may allow. Any reduction
2641 in the premium must be refunded by the insurer. The insurer may
2642 not impose on the insured an additional fee or charge that
2643 applies solely to a change in coverage; however, the insurer may
2644 charge an additional required premium that is actuarially
2645 indicated.

2646 (4) By September 1, 2018, each motor vehicle insurer shall
2647 provide notice of this section to each motor vehicle
2648 policyholder who is subject to this section. The notice is
2649 subject to approval by the Office of Insurance Regulation and



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2650 must clearly inform the policyholder that:

2651 (a) The Florida Motor Vehicle No-Fault Law is repealed,
2652 effective January 1, 2019, and that on or after that date, the
2653 insured is no longer required to maintain personal injury
2654 protection insurance coverage, that personal injury protection
2655 coverage is no longer available for purchase in this state, and
2656 that all new or renewal policies issued on or after that date do
2657 not contain such coverage.

2658 (b) Effective January 1, 2019, a person subject to the
2659 financial responsibility requirements of s. 324.022, Florida
2660 Statutes, must maintain minimum security requirements that
2661 enable the person to respond in damages for liability on account
2662 of accidents arising out of the use of a motor vehicle in the
2663 following amounts:

2664 1. Beginning January 1, 2019, and continuing through
2665 December 31, 2020:

2666 a. Twenty thousand dollars for bodily injury to, or the
2667 death of, one person in any one crash and, subject to such
2668 limits for one person, in the amount of \$40,000 for bodily
2669 injury to, or the death of, two or more persons in any one
2670 crash; and

2671 b. Ten thousand dollars for damage to, or destruction of,
2672 the property of others in any one crash.

2673 2. Beginning January 1, 2021, and continuing through
2674 December 31, 2022:

2675 a. Twenty-five thousand dollars for bodily injury to, or
2676 the death of, one person in any one crash and, subject to such
2677 limits for one person, in the amount of \$50,000 for bodily
2678 injury to, or the death of, two or more persons in any one



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2679 crash; and
2680 b. Ten thousand dollars for damage to, or destruction of,
2681 the property of others in any one crash.
2682 3. Beginning January 1, 2023, and continuing thereafter:
2683 a. Thirty thousand dollars for bodily injury to, or the
2684 death of, one person in any one crash and, subject to such
2685 limits for one person, in the amount of \$60,000 for bodily
2686 injury to, or the death of, two or more persons in any one
2687 crash; and
2688 b. Ten thousand dollars for damage to, or destruction of,
2689 the property of others in any one crash.
2690 (c) Personal injury protection insurance paid covered
2691 medical expenses for injuries sustained in a motor vehicle crash
2692 by the policyholder, passengers, and relatives residing in the
2693 policyholder's household.
2694 (d) Bodily injury liability coverage protects the insured,
2695 up to the coverage limits, against loss if the insured is
2696 legally responsible for the death of or bodily injury to others
2697 in a motor vehicle accident.
2698 (e) Effective January 1, 2019, a person who purchases a
2699 motor vehicle liability insurance policy as proof of financial
2700 responsibility must maintain medical payments coverage that
2701 complies with s. 627.7265, Florida Statutes. Medical payments
2702 coverage pays covered medical expenses, up to the limits of such
2703 coverage, for injuries sustained in a motor vehicle crash by the
2704 policyholder, passengers, and relatives residing in the
2705 policyholder's household, as provided in s. 627.7265, Florida
2706 Statutes. Medical payments coverage also provides a death
2707 benefit of at least \$5,000. Medical payments coverage reimburses



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2708 fewer medical services and care than were reimbursable under
2709 personal injury protection. Medical payments coverage provides
2710 reimbursement for the following if medically necessary and if an
2711 individual initially receives such treatment within 14 days
2712 after the motor vehicle accident:

2713 1. Emergency transportation and treatment.

2714 2. Emergency services and care provided by a hospital.

2715 3. Emergency services and care provided by a licensed
2716 physician or licensed dentist in a hospital, ambulatory surgical
2717 center, or mobile surgical facility licensed under chapter 395,
2718 Florida Statutes, and related hospital inpatient care.

2719 4. Hospital inpatient services, other than emergency
2720 services and care.

2721 5. Hospital outpatient services, other than emergency
2722 services and care.

2723 (f) The policyholder may obtain underinsured motorist
2724 coverage, which provides benefits, up to the limits of such
2725 coverage, to a policyholder or other insured entitled to recover
2726 damages for bodily injury, sickness, disease, or death resulting
2727 from a motor vehicle accident with an uninsured or underinsured
2728 owner or operator of a motor vehicle.

2729 (g) If the policyholder's new or renewal motor vehicle
2730 insurance policy is effective before January 1, 2019, and
2731 contains personal injury protection and property damage
2732 liability coverage as required by state law before January 1,
2733 2019, but does not meet minimum security requirements on or
2734 after January 1, 2019, the policy is deemed to meet minimum
2735 security requirements until it is renewed, nonrenewed, or
2736 canceled on or after January 1, 2019.



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2737 (h) A policyholder whose new or renewal policy becomes
2738 effective before January 1, 2019, but does not meet minimum
2739 security requirements on or after January 1, 2019, may change
2740 coverages under the policy so as to eliminate personal injury
2741 protection and to obtain coverage providing minimum security
2742 requirements, including bodily injury liability coverage, which
2743 are effective on or after January 1, 2019.

2744 (i) If the policyholder has any questions, he or she should
2745 contact the person named at the telephone number provided in the
2746 notice.

2747 (5) This section takes effect upon this act becoming a law.

2748 Section 52. Application of suspensions for failure to
2749 maintain security; reinstatement.—All suspensions for failure to
2750 maintain required security as required by law in effect before
2751 January 1, 2019, remain in full force and effect after January
2752 1, 2019. A driver may reinstate a suspended driver license or
2753 registration as provided under s. 324.0221, Florida Statutes.

2754 Section 53. Except as otherwise expressly provided in this
2755 act and except for this section, which shall take effect upon
2756 this act becoming a law, this act shall take effect January 1,
2757 2019.

2758
2759 ===== T I T L E A M E N D M E N T =====

2760 And the title is amended as follows:

2761 Delete everything before the enacting clause
2762 and insert:

2763 A bill to be entitled
2764 An act relating to motor vehicle insurance; repealing
2765 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.



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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
01/10/2018	.	
	.	
	.	
	.	

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

Senate Amendment to Amendment (543534) (with title amendment)

Delete lines 14 - 520
and insert:

(1) Any person required by s. 324.022 to maintain liability security for 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



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11 immediate possession at all times while operating such motor
12 vehicle proper proof of maintenance of the ~~required~~ security
13 required under s. 324.021(7).

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

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

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

26 Section 4. Paragraph (b) of subsection (2) of section
27 318.18, Florida Statutes, is amended to read:

28 318.18 Amount of penalties.—The penalties required for a
29 noncriminal disposition pursuant to s. 318.14 or a criminal
30 offense listed in s. 318.17 are as follows:

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

33 (b) For all violations of ss. 320.0605, 320.07(1), 322.065,
34 and 322.15(1). A ~~Any~~ person who is cited for a violation of s.
35 320.07(1) shall be charged a delinquent fee pursuant to s.
36 320.07(4).

37 1. If a person who is cited for a violation of s. 320.0605
38 or s. 320.07 can show proof of having a valid registration at
39 the time of arrest, the clerk of the court may dismiss the case



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40 and may assess a dismissal fee of up to \$10. A person who finds
41 it impossible or impractical to obtain a valid registration
42 certificate must submit an affidavit detailing the reasons for
43 the impossibility or impracticality. The reasons may include,
44 but are not limited to, the fact that the vehicle was sold,
45 stolen, or destroyed; that the state in which the vehicle is
46 registered does not issue a certificate of registration; or that
47 the vehicle is owned by another person.

48 2. If a person who is cited for a violation of s. 322.03,
49 s. 322.065, or s. 322.15 can show a driver license issued to him
50 or her and valid at the time of arrest, the clerk of the court
51 may dismiss the case and may assess a dismissal fee of up to
52 \$10.

53 3. If a person who is cited for a violation of s. 316.646
54 can show proof of security as required by s. 324.021(7) ~~s.~~
55 ~~627.733~~, issued to the person and valid at the time of arrest,
56 the clerk of the court may dismiss the case and may assess a
57 dismissal fee of up to \$10. A person who finds it impossible or
58 impractical to obtain proof of security must submit an affidavit
59 detailing the reasons for the impracticality. The reasons may
60 include, but are not limited to, the fact that the vehicle has
61 since been sold, stolen, or destroyed; ~~that the owner or~~
62 ~~registrant of the vehicle is not required by s. 627.733 to~~
63 ~~maintain personal injury protection insurance;~~ or that the
64 vehicle is owned by another person.

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

67 320.02 Registration required; application for registration;
68 forms.-



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69 (5) (a) Proof that bodily injury liability coverage and
70 property damage liability coverage ~~personal injury protection~~
71 ~~benefits~~ have been purchased if required under s. 324.022, s.
72 324.032, or s. 627.742, that medical payments coverage has been
73 purchased if required under s. 627.7265 ~~s. 627.733, that~~
74 ~~property damage liability coverage has been purchased as~~
75 ~~required under s. 324.022, that bodily injury liability or death~~
76 coverage has been purchased if required under s. 324.023, and
77 that combined bodily liability insurance and property damage
78 liability insurance have been purchased if required under s.
79 627.7415 must ~~shall~~ be provided in the manner prescribed by law
80 by the applicant at the time of application for registration of
81 any motor vehicle that is subject to such requirements. The
82 issuing agent may not ~~shall refuse to~~ issue registration if such
83 proof of purchase is not provided. Insurers shall furnish
84 uniform proof-of-purchase cards in a paper or electronic format
85 in a form prescribed by the department and include the name of
86 the insured's insurance company, the coverage identification
87 number, and the make, year, and vehicle identification number of
88 the vehicle insured. The card must contain a statement notifying
89 the applicant of the penalty specified under s. 316.646(4). The
90 card or insurance policy, insurance policy binder, or
91 certificate of insurance or a photocopy of any of these; an
92 affidavit containing the name of the insured's insurance
93 company, the insured's policy number, and the make and year of
94 the vehicle insured; or such other proof as may be prescribed by
95 the department constitutes ~~shall constitute~~ sufficient proof of
96 purchase. If an affidavit is provided as proof, it must be in
97 substantially the following form:



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98
99 Under penalty of perjury, I ...(Name of insured)... do hereby
100 certify that I have ...(bodily injury liability and Personal
101 ~~Injury Protection~~, property damage liability coverage, and
102 medical payments coverage, and, if required, Bodily Injury
103 ~~Liability~~)... ~~Insurance~~ currently in effect with ...(Name of
104 insurance company)... under ...(policy number)... covering
105 ...(make, year, and vehicle identification number of
106 vehicle).... ...(Signature of Insured)...

107
108 Such affidavit must include the following warning:
109
110 WARNING: GIVING FALSE INFORMATION IN ORDER TO OBTAIN A VEHICLE
111 REGISTRATION CERTIFICATE IS A CRIMINAL OFFENSE UNDER FLORIDA
112 LAW. ANYONE GIVING FALSE INFORMATION ON THIS AFFIDAVIT IS
113 SUBJECT TO PROSECUTION.
114

115 If an application is made through a licensed motor vehicle
116 dealer as required under s. 319.23, the original or a photocopy
117 ~~photostatic copy~~ of such card, insurance policy, insurance
118 policy binder, or certificate of insurance or the original
119 affidavit from the insured must ~~shall~~ be forwarded by the dealer
120 to the tax collector of the county or the Department of Highway
121 Safety and Motor Vehicles for processing. By executing the
122 ~~aforesaid~~ affidavit, a ~~no~~ licensed motor vehicle dealer is not
123 ~~will be~~ liable in damages for any inadequacy, insufficiency, or
124 falsification of any statement contained therein. ~~A card must~~
125 ~~also indicate the existence of any bodily injury liability~~
126 ~~insurance voluntarily purchased.~~



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

147 Section 6. Paragraph (b) of subsection (1) of section
148 320.0609, Florida Statutes, is amended to read:

149 320.0609 Transfer and exchange of registration license
150 plates; transfer fee.—

151 (1)

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



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156 liability insurance.

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

160 320.27 Motor vehicle dealers.—

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

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

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

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

172 3. Beginning January 1, 2023 and thereafter, at least
173 \$70,000.

174 (3) APPLICATION AND FEE.—~~The application for the license~~
175 application must ~~shall~~ be in such form as may be prescribed by
176 the department and is ~~shall be~~ subject to such rules with
177 ~~respect thereto~~ as may be so prescribed by the department ~~it~~.
178 Such application must ~~shall~~ be verified by oath or affirmation
179 and must ~~shall~~ contain a full statement of the name and birth
180 date of the person or persons applying for the license ~~therefor~~;
181 the name of the firm or copartnership, with the names and places
182 of residence of all members ~~thereof~~, if such applicant is a firm
183 or copartnership; the names and places of residence of the
184 principal officers, if the applicant is a body corporate or



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185 other artificial body; the name of the state under whose laws
186 the corporation is organized; the present and former place or
187 places of residence of the applicant; and the prior business in
188 which the applicant has been engaged and its ~~the~~ location
189 ~~thereof~~. The ~~Such~~ application must ~~shall~~ describe the exact
190 location of the place of business and must ~~shall~~ state whether
191 the place of business is owned by the applicant and when
192 acquired, or, if leased, a true copy of the lease must ~~shall~~ be
193 attached to the application. The applicant shall certify that
194 the location provides an adequately equipped office and is not a
195 residence; that the location affords sufficient unoccupied space
196 upon and within which adequately to store all motor vehicles
197 offered and displayed for sale; and that the location is a
198 suitable place where the applicant can in good faith carry on
199 such business and keep and maintain books, records, and files
200 necessary to conduct such business, which must ~~shall~~ be
201 available at all reasonable hours to inspection by the
202 department or any of its inspectors or other employees. The
203 applicant shall certify that the business of a motor vehicle
204 dealer is the principal business that will ~~which shall~~ be
205 conducted at that location. The application must ~~shall~~ contain a
206 statement that the applicant is either franchised by a
207 manufacturer of motor vehicles, in which case the name of each
208 motor vehicle that the applicant is franchised to sell must
209 ~~shall~~ be included, or an independent (nonfranchised) motor
210 vehicle dealer. The application must ~~shall~~ contain other
211 relevant information as may be required by the department. The
212 applicant must furnish, including evidence, in a form approved
213 by the department, that the applicant is insured under a garage



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214 liability insurance policy or a general liability insurance
215 policy coupled with a business automobile policy having the
216 garage liability insurance coverage required by this subsection,
217 ~~which shall include, at a minimum, \$25,000 combined single-limit~~
218 ~~liability coverage including bodily injury and property damage~~
219 ~~protection and \$10,000 personal injury protection.~~ However, a
220 salvage motor vehicle dealer as defined in subparagraph (1)(c)5.
221 is exempt from the requirements for garage liability insurance
222 and medical payments coverage insurance ~~and personal injury~~
223 ~~protection insurance~~ on those vehicles that cannot be legally
224 operated on roads, highways, or streets in this state. Franchise
225 dealers must submit a garage liability insurance policy, and all
226 other dealers must submit a garage liability insurance policy or
227 a general liability insurance policy coupled with a business
228 automobile policy. Such policy must ~~shall~~ be for the license
229 period, and evidence of a new or continued policy must ~~shall~~ be
230 delivered to the department at the beginning of each license
231 period. Upon making an initial application, the applicant shall
232 pay to the department a fee of \$300 in addition to any other
233 fees required by law. Applicants may choose to extend the
234 licensure period for 1 additional year for a total of 2 years.
235 An initial applicant shall pay to the department a fee of \$300
236 for the first year and \$75 for the second year, in addition to
237 any other fees required by law. An applicant for renewal shall
238 pay to the department \$75 for a 1-year renewal or \$150 for a 2-
239 year renewal, in addition to any other fees required by law.
240 Upon making an application for a change of location, the
241 applicant ~~person~~ shall pay a fee of \$50 in addition to any other
242 fees now required by law. The department shall, in the case of



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243 every application for initial licensure, verify whether certain
244 facts set forth in the application are true. Each applicant,
245 general partner in the case of a partnership, or corporate
246 officer and director in the case of a corporate applicant shall
247 ~~must~~ file a set of fingerprints with the department for the
248 purpose of determining any prior criminal record or any
249 outstanding warrants. The department shall submit the
250 fingerprints to the Department of Law Enforcement for state
251 processing and forwarding to the Federal Bureau of Investigation
252 for federal processing. The actual cost of state and federal
253 processing must ~~shall~~ be borne by the applicant and is in
254 addition to the fee for licensure. The department may issue a
255 license to an applicant pending the results of the fingerprint
256 investigation, which license is fully revocable if the
257 department subsequently determines that any facts set forth in
258 the application are not true or correctly represented.

259 Section 8. Paragraph (j) of subsection (3) of section
260 320.771, Florida Statutes, is amended to read:

261 320.771 License required of recreational vehicle dealers.—

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

266 (j) A statement that the applicant is insured under a
267 garage liability insurance policy in accordance with s.
268 320.27(1)(g), ~~which shall include, at a minimum, \$25,000~~
269 ~~combined single-limit liability coverage, including bodily~~
270 ~~injury and property damage protection, and \$10,000 personal~~
271 ~~injury protection,~~ if the applicant is to be licensed as a



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272 dealer in, or intends to sell, recreational vehicles.

273

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

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

281 322.251 Notice of cancellation, suspension, revocation, or
282 disqualification of license.-

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

296 (2) The giving of notice and an order of cancellation,
297 suspension, revocation, or disqualification by mail is complete
298 upon expiration of 20 days after deposit in the United States
299 mail for all notices except those issued under chapter 324 ~~or~~
300 ~~ss. 627.732-627.734~~, which are complete 15 days after deposit in



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301 the United States mail. Proof of the giving of notice and an
302 order of cancellation, suspension, revocation, or
303 disqualification in either manner must ~~shall~~ be made by entry in
304 the records of the department that such notice was given. The
305 entry is admissible in the courts of this state and constitutes
306 sufficient proof that such notice was given.

307 Section 10. Paragraph (a) of subsection (8) of section
308 322.34, Florida Statutes, is amended to read:

309 322.34 Driving while license suspended, revoked, canceled,
310 or disqualified.—

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

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

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

319 3. Whether the suspension or revocation was made under s.
320 316.646 ~~or s. 627.733~~, relating to failure to maintain required
321 security, or under s. 322.264, relating to habitual traffic
322 offenders.

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

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

327 324.011 Legislative intent and purpose of chapter.—It is
328 the Legislature's intent of this chapter to ensure that the
329 privilege of owning or operating a motor vehicle in this state



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330 ~~be exercised recognize the existing privilege to own or operate~~
331 ~~a motor vehicle on the public streets and highways of this state~~
332 ~~when such vehicles are used with due consideration for others'~~
333 ~~safety others~~ and their property, ~~and~~ to promote safety, and to
334 provide financial security requirements for ~~such~~ owners and ~~or~~
335 operators whose responsibility it is to recompense others for
336 injury to person or property caused by the operation of a motor
337 vehicle. Therefore, this chapter requires that every owner or
338 operator of a motor vehicle required to be registered in this
339 state establish, maintain, and it is required herein that the
340 ~~operator of a motor vehicle involved in a crash or convicted of~~
341 ~~certain traffic offenses meeting the operative provisions of s.~~
342 ~~324.051(2) shall respond for such damages and show proof of~~
343 financial ability to respond for damages arising out of the
344 ownership, maintenance, or use of a motor vehicle in future
345 ~~accidents~~ as a requisite to owning or operating a motor vehicle
346 in this state his or her future exercise of such privileges.

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

350 324.021 Definitions; minimum insurance required.—The
351 following words and phrases when used in this chapter shall, for
352 the purpose of this chapter, have the meanings respectively
353 ascribed to them in this section, except in those instances
354 where the context clearly indicates a different meaning:

355 (1) MOTOR VEHICLE.—Every self-propelled vehicle that is
356 designed and required to be licensed for use upon a highway,
357 including trailers and semitrailers designed for use with such
358 vehicles, except traction engines, road rollers, farm tractors,



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359 power shovels, and well drillers, and every vehicle that is
360 propelled by electric power obtained from overhead wires but not
361 operated upon rails, but not including any personal delivery
362 device as defined in s. 316.003, bicycle, or moped. ~~However, the~~
363 ~~term "motor vehicle" does not include a motor vehicle as defined~~
364 ~~in s. 627.732(3) when the owner of such vehicle has complied~~
365 ~~with the requirements of ss. 627.730-627.7405, inclusive, unless~~
366 ~~the provisions of s. 324.051 apply; and, in such case, the~~
367 ~~applicable proof of insurance provisions of s. 320.02 apply.~~

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

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

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

377 a. Twenty thousand dollars for ~~\$10,000~~ because of bodily
378 injury to, or the death of, one person in any one crash and,

379 ~~(b)~~ subject to such limits for one person, in the amount of
380 ~~\$40,000~~ for ~~\$20,000~~ because of bodily injury to, or the death
381 of, two or more persons in any one crash; and

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

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

386 a. Twenty-five thousand dollars for bodily injury to, or
387 the death of, one person in any one crash and, subject to such



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388 limits for one person, in the amount of \$50,000 for bodily
389 injury to, or the death of, two or more persons in any one
390 crash; and

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

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

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

400 ~~b.(e) Ten thousand dollars for damage in the amount of~~
401 ~~\$10,000 because of injury to, or destruction of, property of~~
402 ~~others in any one crash.; and~~

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

406 (c) With respect to nonpublic sector buses, in the amounts
407 specified in s. 627.742.

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

410 (9) OWNER; OWNER/LESSOR.—

411 (c) *Application.*—

412 1. The limits on liability in subparagraphs (b)2. and 3. do
413 not apply to an owner of motor vehicles that are used for
414 commercial activity in the owner's ordinary course of business,
415 other than a rental company that rents or leases motor vehicles.
416 For purposes of this paragraph, the term "rental company"



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417 includes only an entity that is engaged in the business of
418 renting or leasing motor vehicles to the general public and that
419 rents or leases a majority of its motor vehicles to persons with
420 no direct or indirect affiliation with the rental company. The
421 term also includes a motor vehicle dealer that provides
422 temporary replacement vehicles to its customers for up to 10
423 days. The term "rental company" also includes:

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

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

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

445 a. The lessee indicates in writing that the vehicle will



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446 not be used to transport materials found to be hazardous for the
447 purposes of the Hazardous Materials Transportation Authorization
448 Act of 1994, as amended, 49 U.S.C. ss. 5101 et seq.; or

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

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

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

459 324.022 Financial responsibility requirements ~~for property~~
460 ~~damage.~~—

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

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

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

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



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475 2. Beginning January 1, 2021, and continuing through
476 December 31, 2022:
477 a. Twenty-five thousand dollars for bodily injury to, or
478 the death of, one person in any one crash and, subject to such
479 limits for one person, in the amount of \$50,000 for bodily
480 injury to, or the death of, two or more persons in any one
481 crash; and
482 b. Ten thousand dollars for damage to, or destruction of,
483 property of others in any one crash.
484 3. Beginning January 1, 2023, and continuing thereafter:
485 a. Thirty thousand dollars for bodily injury to, or the
486 death of, one person in any one crash and, subject to such
487 limits for one person, in the amount of \$60,000 for bodily
488 injury to, or the death of, two or more persons in any one
489 crash; and
490 b. Ten thousand dollars for ~~\$10,000 because of~~ damage to,
491 or destruction of, property of others in any one crash.
492 (b) The requirements of paragraph (a) ~~this section~~ may be
493 met by one of the methods established in s. 324.031; by self-
494 insuring as authorized by s. 768.28(16); or by maintaining
495 medical payments coverage under s. 627.7265 and a motor vehicle
496 liability insurance policy that ~~an insurance policy providing~~
497 ~~coverage for property damage liability in the amount of at least~~
498 ~~\$10,000 because of damage to, or destruction of, property of~~
499 ~~others in any one accident arising out of the use of the motor~~
500 ~~vehicle. The requirements of this section may also be met by~~
501 having a policy which provides combined property damage
502 liability and bodily injury liability coverage for any one crash
503 arising out of the ownership, maintenance, or use of a motor



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504 vehicle which conforms to the requirements of s. 324.151 in the
505 amount of:

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

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

510 3. At least \$70,000 for every owner or operator subject to

511

512 ===== T I T L E A M E N D M E N T =====

513 And the title is amended as follows:

514 Delete line 2801

515 and insert:

516 for motor vehicle owners or operators; revising



296334

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
01/10/2018	.	
	.	
	.	
	.	

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

Senate Amendment to Amendment (543534) (with title amendment)

Delete line 889
and insert:

subject to all provisions of this chapter. The policies must insure all persons covered under the liability coverage against loss from liability 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



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11 there is liability coverage under the policy. Such litigation
12 costs or attorney fees may not be offset against or deducted
13 from any other coverage under the policy. The ~~Said~~ policies
14

15 ===== T I T L E A M E N D M E N T =====

16 And the title is amended as follows:

17 Delete lines 2826 - 2827

18 and insert:

19 ss. 324.051, 324.071, and 324.091, F.S.; making
20 technical changes; amending s. 324.151, F.S.;
21 requiring that motor vehicle liability policies insure
22 all covered persons against certain liability for
23 litigation costs or attorney fees in civil actions
24 defended by the insurer; providing that such
25 litigation costs or attorney fees may not be offset
26 against or deducted from any other coverage under the
27 policy; making technical changes; amending s. 324.161,
28 F.S.;



596228

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
01/10/2018	.	
	.	
	.	
	.	

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

Senate Amendment to Amendment (543534)

Between lines 1669 and 1670

insert:

(f) Physician services and care provided by a physician licensed under chapter 458 or chapter 459 or a chiropractic physician licensed under chapter 460, or dental services and care provided by a dentist licensed under chapter 466.

By Senator Lee

20-00220-18

2018150__

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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2018150__

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

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2018150__

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:

195
 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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291 card or insurance policy, insurance policy binder, or
 292 certificate of insurance or a photocopy of any of these; an
 293 affidavit containing the name of the insured's insurance
 294 company, the insured's policy number, and the make and year of
 295 the vehicle insured; or such other proof as may be prescribed by
 296 the department constitutes ~~shall constitute~~ sufficient proof of
 297 purchase. If an affidavit is provided as proof, it must be in
 298 substantially the following form:

299
 300 Under penalty of perjury, I ...(Name of insured)... do hereby
 301 certify that I have ...(bodily injury liability and Personal
 302 Injury Protection, property damage liability coverage, and
 303 medical payments coverage, and, if required, Bodily Injury
 304 Liability)... ~~Insurance~~ currently in effect with ...(Name of
 305 insurance company)... under ...(policy number)... covering
 306 ...(make, year, and vehicle identification number of
 307 vehicle).... ...(Signature of Insured)...

308
 309 Such affidavit must include the following warning:

310
 311 WARNING: GIVING FALSE INFORMATION IN ORDER TO OBTAIN A VEHICLE
 312 REGISTRATION CERTIFICATE IS A CRIMINAL OFFENSE UNDER FLORIDA
 313 LAW. ANYONE GIVING FALSE INFORMATION ON THIS AFFIDAVIT IS
 314 SUBJECT TO PROSECUTION.

315
 316 If an application is made through a licensed motor vehicle
 317 dealer as required under s. 319.23, the original or a photocopy
 318 ~~photostatic copy~~ of such card, insurance policy, insurance
 319 policy binder, or certificate of insurance or the original

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

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

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

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349 320.0609, Florida Statutes, is amended to read:

350 320.0609 Transfer and exchange of registration license
351 plates; transfer fee.-

352 (1)

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

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

360 320.27 Motor vehicle dealers.-

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

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378 the place of business is owned by the applicant and when
379 acquired, or, if leased, a true copy of the lease must shall be
380 attached to the application. The applicant shall certify that
381 the location provides an adequately equipped office and is not a
382 residence; that the location affords sufficient unoccupied space
383 upon and within which adequately to store all motor vehicles
384 offered and displayed for sale; and that the location is a
385 suitable place where the applicant can in good faith carry on
386 such business and keep and maintain books, records, and files
387 necessary to conduct such business, which must shall be
388 available at all reasonable hours to inspection by the
389 department or any of its inspectors or other employees. The
390 applicant shall certify that the business of a motor vehicle
391 dealer is the principal business that will which shall be
392 conducted at that location. The application must shall contain a
393 statement that the applicant is either franchised by a
394 manufacturer of motor vehicles, in which case the name of each
395 motor vehicle that the applicant is franchised to sell must
396 ~~shall~~ be included, or an independent (nonfranchised) motor
397 vehicle dealer. The application must shall contain other
398 relevant information as may be required by the department. The
399 applicant must furnish, including evidence, in a form approved
400 by the department, that the applicant is insured under a garage
401 liability insurance policy or a general liability insurance
402 policy coupled with a business automobile policy having the
403 liability coverage required by this subsection, which shall
404 ~~include, at a minimum, \$25,000 combined single limit liability~~
405 ~~coverage including bodily injury and property damage protection~~
406 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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465 investigation to be made to ascertain if the facts set forth in
466 the application are true and shall not issue a license to the
467 applicant until it is satisfied that the facts set forth in the
468 application are true.

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

471 322.251 Notice of cancellation, suspension, revocation, or
472 disqualification of license.—

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

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

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

497 Section 10. Paragraph (a) of subsection (8) of section
498 322.34, Florida Statutes, is amended to read:

499 322.34 Driving while license suspended, revoked, canceled,
500 or disqualified.—

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

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

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

509 3. Whether the suspension or revocation was made under s.
510 316.646 ~~or s. 627.733,~~ relating to failure to maintain required
511 security, or under s. 322.264, relating to habitual traffic
512 offenders.

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

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

517 324.011 Legislative intent and purpose of chapter.—It is
518 the Legislature's intent of this chapter to ensure that the
519 privilege of owning or operating a motor vehicle in this state
520 be exercised ~~recognize the existing privilege to own or operate~~
521 ~~a motor vehicle on the public streets and highways of this state~~
522 ~~when such vehicles are used with due consideration for others'~~

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

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

540 324.021 Definitions; minimum insurance required.—The
 541 following words and phrases when used in this chapter shall, for
 542 the purpose of this chapter, have the meanings respectively
 543 ascribed to them in this section, except in those instances
 544 where the context clearly indicates a different meaning:

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

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

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

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

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

567 a. Twenty thousand dollars for ~~\$10,000 because of~~ bodily
 568 injury to, or the death of, one person in any one crash and, ~~+~~
 569 ~~(b)~~ subject to such limits for one person, in the amount of
 570 \$40,000 for ~~\$20,000 because of~~ bodily injury to, or the death
 571 of, two or more persons in any one crash; and

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

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

576 a. Twenty-five thousand dollars for bodily injury to, or
 577 the death of, one person in any one crash and, subject to such
 578 limits for one person, in the amount of \$50,000 for bodily
 579 injury to, or the death of, two or more persons in any one
 580 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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639 b. The lessee or other operator of the commercial motor
640 vehicle has in effect insurance with limits of at least \$5
641 million ~~\$5,000,000~~ combined property damage and bodily injury
642 liability.

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

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

649 324.022 Financial responsibility requirements for property
650 damage.—

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

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

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

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

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

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

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

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

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

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

683 (b) The requirements of paragraph (a) ~~this section~~ may be
684 met by one of the methods established in s. 324.031; by self-
685 insuring as authorized by s. 768.28(16); or by maintaining
686 medical payments coverage under s. 627.7265 and a motor vehicle
687 liability insurance policy that an insurance policy providing
688 coverage for property damage liability in the amount of at least
689 \$10,000 because of damage to, or destruction of, property of
690 others in any one accident arising out of the use of the motor
691 vehicle. The requirements of this section may also be met by
692 having a policy which provides combined property damage
693 liability and bodily injury liability coverage for any one crash
694 arising out of the ownership, maintenance, or use of a motor
695 vehicle which conforms to the requirements of s. 324.151 in the
696 amount of:

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

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

701 3. At least \$70,000 for every owner and operator subject to
 702 the financial responsibility required in subparagraph (1) (a)3.
 703 ~~\$30,000 for combined property damage liability and bodily injury~~
 704 ~~liability for any one crash arising out of the use of the motor~~
 705 ~~vehicle. The policy, with respect to coverage for property~~
 706 ~~damage liability, must meet the applicable requirements of s.~~
 707 ~~324.151, subject to the usual policy exclusions that have been~~
 708 ~~approved in policy forms by the Office of Insurance Regulation.~~
 709 ~~No insurer shall have any duty to defend uncovered claims~~
 710 ~~irrespective of their joinder with covered claims.~~

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

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

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

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

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

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

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726 s. 320.01, which shall maintain security as required under ss.
 727 324.031 and 627.7415.

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

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

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

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

739 (3) Each nonresident owner or registrant of a motor vehicle
 740 that, whether operated or not, has been physically present
 741 within this state for more than 90 days during the preceding 365
 742 days shall maintain security as required by subsection (1). The
 743 security must be that is in effect continuously throughout the
 744 period the motor vehicle remains within this state.

745 (4) An ~~The~~ owner or registrant of a motor vehicle who is
 746 ~~exempt from the requirements of this section if she or he is a~~
 747 ~~member of the United States Armed Forces and is called to or on~~
 748 ~~active duty outside the United States in an emergency situation~~
 749 ~~is exempt from this section while he or she. The exemption~~
 750 ~~provided by this subsection applies only as long as the member~~
 751 ~~of the Armed Forces is on such active duty. This exemption~~
 752 ~~outside the United States and applies only while the vehicle~~
 753 ~~covered by the security is not operated by any person. Upon~~
 754 receipt of a written request by the insured to whom the

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755 exemption provided in this subsection applies, the insurer shall
 756 cancel the coverages and return any unearned premium or suspend
 757 the security required by this section. Notwithstanding s.
 758 324.0221(2) ~~s. 324.0221(3)~~, the department may not suspend the
 759 registration or operator's license of an any owner or registrant
 760 of a motor vehicle during the time she or he qualifies for the
 761 ~~an~~ exemption under this subsection. An Any owner or registrant
 762 of a motor vehicle who qualifies for the an exemption under this
 763 subsection shall immediately notify the department before prior
 764 ~~te~~ and at the end of the expiration of the exemption.

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

767 324.0221 Reports by insurers to the department; suspension
 768 of driver license and vehicle registrations; reinstatement.-

769 (1) (a) Each insurer that has issued a policy providing
 770 ~~personal injury protection coverage or property damage~~ liability
 771 coverage shall report the cancellation or nonrenewal thereof to
 772 the department within 10 days after the processing date or
 773 effective date of each cancellation or nonrenewal. Upon the
 774 issuance of a policy providing ~~personal injury protection~~
 775 ~~coverage or property damage~~ liability coverage to a named
 776 insured not previously insured by the insurer during that
 777 calendar year, the insurer shall report the issuance of the new
 778 policy to the department within 10 days. The report must shall
 779 be in the form ~~and format~~ and contain any information required
 780 by the department and must be provided in a format that is
 781 compatible with the data processing capabilities of the
 782 department. Failure by an insurer to file proper reports with
 783 the department as required by this subsection constitutes a

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784 violation of the Florida Insurance Code. These records may shall
 785 be used by the department only for enforcement and regulatory
 786 purposes, including the generation by the department of data
 787 regarding compliance by owners of motor vehicles with the
 788 requirements for financial responsibility coverage.

789 (b) With respect to an insurance policy providing medical
 790 payments coverage or personal injury protection coverage or
 791 ~~property damage~~ liability coverage, each insurer shall notify
 792 the named insured, or the first-named insured in the case of a
 793 commercial fleet policy, in writing that any cancellation or
 794 nonrenewal of the policy will be reported by the insurer to the
 795 department. The notice must also inform the named insured that
 796 failure to maintain medical payments coverage, bodily injury
 797 liability ~~personal injury protection~~ coverage, and property
 798 damage liability coverage on a motor vehicle when required by
 799 law may result in the loss of registration and driving
 800 privileges in this state and inform the named insured of the
 801 amount of the reinstatement fees required by this section. This
 802 notice is for informational purposes only, and an insurer is not
 803 civilly liable for failing to provide this notice.

804 (2) The department shall suspend, after due notice and an
 805 opportunity to be heard, the registration and driver license of
 806 any owner or operator registrant of a motor vehicle for with
 807 ~~respect to~~ which security is required under s. 324.022, s.
 808 324.032, s. 627.7415, or s. 627.742 ~~ss. 324.022 and 627.733~~
 809 upon:

810 (a) The department's records showing that the owner or
 811 operator registrant of such motor vehicle did not have the in
 812 ~~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) 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) Furnishing a certificate of self-insurance showing a
862 deposit of cash in accordance with s. 324.161; or

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

865 (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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871 January 1, 2019, through December 31, 2020.

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

874 3. Seventy thousand dollars, ~~\$30,000,~~ to a maximum of
875 \$280,000, from January 1, 2023, and thereafter. ~~\$120,000,~~

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

880 1. One hundred twenty-five thousand dollars for bodily
881 injury to, or the death of, one person in any one crash and,
882 subject to such limits for one person, in the amount of \$250,000
883 for bodily injury to, or the death of, two or more persons in
884 any one crash, and \$50,000 for damage to, or destruction of,
885 property of others in any one crash; or \$10,000/20,000/10,000 ~~or~~
886 ~~\$30,000 combined single limits, and such excess insurance shall~~
887 ~~provide minimum limits of \$125,000/250,000/50,000 or \$300,000~~
888 ~~combined single limits. These increased limits shall not affect~~
889 ~~the requirements for proving financial responsibility under s.~~
890 ~~324.032(1).~~

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

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

896 324.032 ~~Manner of proving~~ Financial responsibility ~~for~~
897 ~~for-hire passenger transportation vehicles. Notwithstanding the~~
898 ~~provisions of s. 324.031.~~

899 (1) An owner, lessee, or operator of a for-hire passenger

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900 transportation vehicle that is required to be registered in this
901 state shall establish and continuously maintain the ability to
902 respond in damages for liability on account of accidents arising
903 out of the ownership, maintenance, or use of the for-hire
904 passenger transportation vehicle, in the amount of:

905 (a) One hundred twenty-five thousand dollars for bodily
906 injury to, or the death of, one person in any one crash and,
907 subject to such limits for one person, in the amount of \$250,000
908 for bodily injury to, or the death of, two or more persons in
909 any one crash; and A person who is either the owner or a lessee
910 required to maintain insurance under s. 627.733(1)(b) and who
911 operates one or more taxicabs, limousines, jitneys, or any other
912 for hire passenger transportation vehicles may prove financial
913 responsibility by furnishing satisfactory evidence of holding a
914 motor vehicle liability policy, but with minimum limits of
915 ~~\$125,000/250,000/50,000.~~

916 (b) Fifty thousand dollars for damage to, or destruction
917 of, property of others in any one crash A person who is either
918 the owner or a lessee required to maintain insurance under s.
919 324.021(9)(b) and who operates limousines, jitneys, or any other
920 for-hire passenger vehicles, other than taxicabs, may prove
921 financial responsibility by furnishing satisfactory evidence of
922 holding a motor vehicle liability policy as defined in s.
923 ~~324.031.~~

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

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929 Florida Insurance Guaranty Association.

930 (3)(2) An owner or a lessee who ~~is required to maintain~~
 931 ~~insurance under s. 324.021(9)(b) and who operates at least 300~~
 932 ~~taxicabs, limousines, jitneys, or any other~~ for-hire passenger
 933 transportation vehicles may provide financial responsibility by
 934 complying with ~~the provisions of~~ s. 324.171, such compliance to
 935 be demonstrated by maintaining at its principal place of
 936 business an audited financial statement, prepared in accordance
 937 with generally accepted accounting principles, and providing to
 938 the department a certification issued by a certified public
 939 accountant that the applicant's net worth is at least equal to
 940 the requirements of s. 324.171 as determined by the Office of
 941 Insurance Regulation of the Financial Services Commission,
 942 including claims liabilities in an amount certified as adequate
 943 by a Fellow of the Casualty Actuarial Society.

944
 945 Upon request by the department, the applicant shall ~~must~~ provide
 946 the department at the applicant's principal place of business in
 947 this state access to the applicant's underlying financial
 948 information and financial statements that provide the basis of
 949 the certified public accountant's certification. The applicant
 950 shall reimburse the requesting department for all reasonable
 951 costs incurred by it in reviewing the supporting information.
 952 The maximum amount of self-insurance permissible under this
 953 subsection is \$300,000 and must be stated on a per-occurrence
 954 basis, and the applicant shall maintain adequate excess
 955 insurance issued by an authorized or eligible insurer licensed
 956 or approved by the Office of Insurance Regulation. All risks
 957 self-insured shall remain with the owner or lessee providing it,

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958 and the risks are not transferable to any other person, unless a
 959 policy complying with subsections (1) and (2) ~~subsection (1)~~ is
 960 obtained.

961 Section 18. Paragraph (b) of subsection (2) of section
 962 324.051, Florida Statutes, is amended to read:

963 324.051 Reports of crashes; suspensions of licenses and
 964 registrations.-

965 (2)

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

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

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

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

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

984
 985 No such policy or bond shall be effective under this subsection
 986 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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1045 arising out of the ownership, maintenance, or use of any such
 1046 motor vehicle except as otherwise provided in this section. The
 1047 policy must also insure any person operating an insured motor
 1048 vehicle with the express or implied permission of a named
 1049 insured against loss from the liability imposed by law for
 1050 damage arising out of the use of such vehicle. However, the
 1051 insurer may include provisions in its policy excluding liability
 1052 coverage for a motor vehicle not designated as an insured
 1053 vehicle on the policy, if such motor vehicle does not qualify as
 1054 a newly acquired vehicle, does not qualify as a temporary
 1055 substitute vehicle, and was owned by an insured or was furnished
 1056 for an insured's regular use for more than 30 consecutive days
 1057 before the event giving rise to the claim or motor vehicles
 1058 within the United States or the Dominion of Canada, subject to
 1059 limits, exclusive of interest and costs with respect to each
 1060 such motor vehicle as is provided for under s. 324.021(7).
 1061 Insurers may make available, with respect to property damage
 1062 liability coverage, a deductible amount not to exceed \$500. In
 1063 the event of a property damage loss covered by a policy
 1064 containing a property damage deductible provision, the insurer
 1065 shall pay to the third-party claimant the amount of any property
 1066 damage liability settlement or judgment, subject to policy
 1067 limits, as if no deductible existed.

1068 (b) A motor vehicle liability insurance policy issued to a
 1069 person who does not own a motor vehicle registered in this state
 1070 and who is not already insured under a policy described in
 1071 paragraph (a) must ~~An operator's motor vehicle liability policy~~
 1072 ~~of insurance shall~~ insure the person or persons named therein
 1073 against loss from the liability imposed ~~upon him or her~~ by law

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1074 for damages arising out of the use ~~by the person~~ of any motor
 1075 vehicle not owned by him or her, unless the vehicle was
 1076 furnished for the named insured's regular use and was used by
 1077 the named insured for more than 30 consecutive days before the
 1078 event giving rise to the claim ~~with the same territorial limits~~
 1079 ~~and subject to the same limits of liability as referred to above~~
 1080 ~~with respect to an owner's policy of liability insurance.~~

1081 (c) All such motor vehicle liability policies must ~~shall~~
 1082 state the name and address of the named insured, the coverage
 1083 afforded by the policy, the premium charged therefor, the policy
 1084 period, the limits of liability, and must ~~shall~~ contain an
 1085 agreement or be endorsed that insurance is provided in
 1086 accordance with the coverage defined in this chapter ~~as respects~~
 1087 ~~bodily injury and death or property damage or both~~ and is
 1088 subject to all provisions of this chapter. The policies must
 1089 insure all persons covered under the liability coverage against
 1090 loss from the liability imposed by law for any litigation costs
 1091 or attorney fees in any civil action defended by the insurer
 1092 which arises out of the ownership, maintenance, or use of a
 1093 motor vehicle for which there is liability coverage under the
 1094 policy. The ~~said~~ policies must ~~shall~~ also contain a provision
 1095 that the satisfaction by an insured of a judgment for such
 1096 injury or damage may ~~shall~~ not be a condition precedent to the
 1097 right or duty of the insurance carrier to make payment on
 1098 account of such injury or damage, and must ~~shall~~ also contain a
 1099 provision that bankruptcy or insolvency of the insured or of the
 1100 insured's estate may ~~shall~~ not relieve the insurance carrier of
 1101 any of its obligations under the ~~said~~ policy. However, the
 1102 policies may contain provisions excluding liability coverage for

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1103 a vehicle being used outside of the United States or Canada at
 1104 the time of the accident.

1105 (2) ~~The provisions of This section is shall not be~~
 1106 applicable to any automobile liability policy unless and until
 1107 it is furnished as proof of financial responsibility for the
 1108 future pursuant to s. 324.031, and then only from and after the
 1109 date the said policy is so furnished.

1110 (3) As used in this section, the term:

1111 (a) "Newly acquired vehicle" means a vehicle owned by a
 1112 named insured or resident relative of the named insured which
 1113 was acquired within 30 days before an accident.

1114 (b) "Resident relative" means a person related to a named
 1115 insured by any degree by blood, marriage, or adoption, including
 1116 a ward or foster child, who usually makes his or her home in the
 1117 same family unit as the named insured, whether or not he or she
 1118 temporarily lives elsewhere.

1119 (c) "Temporary substitute vehicle" means any motor vehicle
 1120 as defined in s. 320.01(1) not owned by the named insured which
 1121 is temporarily used with the permission of the owner as a
 1122 substitute for the owned motor vehicle designated on the policy,
 1123 when the owned vehicle is withdrawn from normal use because of
 1124 breakdown, repair, servicing, loss, or destruction.

1125 Section 22. Section 324.161, Florida Statutes, is amended
 1126 to read:

1127 324.161 Proof of financial responsibility; deposit.—If a
 1128 person elects to prove his or her financial responsibility under
 1129 the method of proof specified in s. 324.031(1)(b), he or she
 1130 must obtain proof of a certificate of deposit annually, in the
 1131 amount required under s. 324.031(2), from a financial

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1132 institution insured by the Federal Deposit Insurance Corporation
 1133 or the National Credit Union Administration. Proof of such
 1134 certificate of deposit Annually, before any certificate of
 1135 insurance may be issued to a person, including any firm,
 1136 partnership, association, corporation, or other person, other
 1137 than a natural person, proof of a certificate of deposit of
 1138 \$30,000 issued and held by a financial institution must be
 1139 submitted to the department annually. A power of attorney will
 1140 be issued to and held by the department and may be executed upon
 1141 a judgment issued against such person making the deposit, for
 1142 damages ~~for because of~~ bodily injury to or death of any person
 1143 or for damages ~~for because of~~ injury to or destruction of
 1144 property resulting from the use or operation of any motor
 1145 vehicle occurring after such deposit was made. Money so
 1146 deposited ~~is shall not be~~ subject to attachment or execution
 1147 unless such attachment or execution ~~arises shall arise~~ out of a
 1148 lawsuit ~~suit~~ for such damages as aforesaid.

1149 Section 23. Subsections (1) and (2) of section 324.171,
 1150 Florida Statutes, are amended to read:

1151 324.171 Self-insurer.—

1152 (1) A ~~Any~~ person may qualify as a self-insurer by obtaining
 1153 a certificate of self-insurance from the department, ~~which may,~~
 1154 ~~in its discretion and~~ Upon application of such a person, the
 1155 department may issue a said certificate of self-insurance if the
 1156 applicant when such person has satisfied the requirements of
 1157 this section ~~to qualify as a self-insurer under this section:~~

1158 (a) A private individual with private passenger vehicles
 1159 ~~must shall~~ possess a net unencumbered worth: ~~of~~

1160 1. Beginning January 1, 2019, through December 31, 2020, of

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 1161 at least \$80,000.
 1162 2. Beginning January 1, 2021, through December 31, 2022, of
 1163 at least \$100,000.
 1164 3. Beginning January 1, 2023, and thereafter, of at least
 1165 \$120,000 ~~\$40,000~~.
 1166 (b) A person, including any firm, partnership, association,
 1167 corporation, or other person, other than a natural person, must
 1168 shall:
 1169 1. Possess a net unencumbered worth: of
 1170 a. Beginning January 1, 2019, through December 31, 2020, of
 1171 at least \$80,000 for the first motor vehicle and \$40,000 for
 1172 each additional motor vehicle.
 1173 b. Beginning January 1, 2021, through December 31, 2022, of
 1174 at least \$100,000 for the first motor vehicle and \$50,000 for
 1175 each additional motor vehicle.
 1176 c. Beginning January 1, 2023, and thereafter, of at least
 1177 \$120,000 ~~\$40,000~~ for the first motor vehicle and \$60,000 ~~\$20,000~~
 1178 for each additional motor vehicle; or
 1179 2. Maintain sufficient net worth, in an amount determined
 1180 by the department, to be financially responsible for potential
 1181 losses. The department shall annually determine the minimum net
 1182 worth sufficient to satisfy this subparagraph as determined
 1183 annually by the department, pursuant to rules adopted
 1184 promulgated by the department, with the assistance of the Office
 1185 of Insurance Regulation of the Financial Services Commission, ~~to~~
 1186 ~~be financially responsible for potential losses.~~ The rules must
 1187 consider any ~~shall take into consideration~~ excess insurance
 1188 carried by the applicant. The department's determination must
 1189 shall be based upon reasonable actuarial principles considering

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 1190 the frequency, severity, and loss development of claims incurred
 1191 by casualty insurers writing coverage on the type of motor
 1192 vehicles for which a certificate of self-insurance is desired.
 1193 (c) The owner of a commercial motor vehicle, as defined in
 1194 s. 207.002 or s. 320.01, may qualify as a self-insurer subject
 1195 to the standards provided ~~for~~ in subparagraph (b)2.
 1196 (2) The self-insurance certificate must ~~shall~~ provide
 1197 limits of liability insurance in the amounts specified under s.
 1198 324.021(7) ~~or s. 627.7415 and shall provide personal injury~~
 1199 ~~protection coverage under s. 627.733(3)(b).~~
 1200 Section 24. Section 324.251, Florida Statutes, is amended
 1201 to read:
 1202 324.251 Short title.—This chapter may be cited as the
 1203 "Financial Responsibility Law of 2018 1955" and ~~is shall become~~
 1204 ~~effective at 12:01 a.m., January 1, 2019 October 1, 1955.~~
 1205 Section 25. Subsection (4) of section 400.9905, Florida
 1206 Statutes, is amended to read:
 1207 400.9905 Definitions.—
 1208 (4) "Clinic" means an entity where health care services are
 1209 provided to individuals and which tenders charges for
 1210 reimbursement for such services, including a mobile clinic and a
 1211 portable equipment provider. As used in this part, the term does
 1212 not include and the licensure requirements of this part do not
 1213 apply to:
 1214 (a) Entities licensed or registered by the state under
 1215 chapter 395; entities licensed or registered by the state and
 1216 providing only health care services within the scope of services
 1217 authorized under their respective licenses under ss. 383.30-
 1218 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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1335 provided by licensed health care practitioners where one or more
 1336 of the persons responsible for the operations of the entity is a
 1337 health care practitioner who is licensed in this state and who
 1338 is responsible for supervising the business activities of the
 1339 entity and is responsible for the entity's compliance with state
 1340 law for purposes of this part.

1341 (n) Entities that employ 50 or more licensed health care
 1342 practitioners licensed under chapter 458 or chapter 459 where
 1343 the billing for medical services is under a single tax
 1344 identification number. The application for exemption under this
 1345 subsection must include ~~shall contain information that includes:~~
 1346 the name, residence, and business address and telephone ~~phone~~
 1347 number of the entity that owns the practice; a complete list of
 1348 the names and contact information of all the officers and
 1349 directors of the corporation; the name, residence address,
 1350 business address, and medical license number of each licensed
 1351 Florida health care practitioner employed by the entity; the
 1352 corporate tax identification number of the entity seeking an
 1353 exemption; a listing of health care services to be provided by
 1354 the entity at the health care clinics owned or operated by the
 1355 entity; and a certified statement prepared by an independent
 1356 certified public accountant which states that the entity and the
 1357 health care clinics owned or operated by the entity have not
 1358 received payment for health care services under medical payments
 1359 ~~personal injury protection~~ insurance coverage for the preceding
 1360 year. If the agency determines that an entity that ~~which~~ is
 1361 exempt under this subsection has received payments for medical
 1362 services under medical payments ~~personal injury protection~~
 1363 insurance coverage, the agency may deny or revoke the exemption

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1364 from licensure under this subsection.

1365
 1366 Notwithstanding this subsection, an entity shall be deemed a
 1367 clinic and must be licensed under this part in order to receive
 1368 medical payments coverage reimbursement under s. 627.7265 ~~the~~
 1369 ~~Florida Motor Vehicle No-Fault Law, ss. 627.730-627.7405~~, unless
 1370 exempted under s. 627.7265(6)(h) ~~s. 627.736(5)(h)~~.

1371 Section 26. Subsection (6) of section 400.991, Florida
 1372 Statutes, is amended to read:

1373 400.991 License requirements; background screenings;
 1374 prohibitions.-

1375 (6) All agency forms for licensure application or exemption
 1376 from licensure under this part must contain the following
 1377 statement:

1378
 1379 INSURANCE FRAUD NOTICE.—A person commits a fraudulent
 1380 insurance act, as defined in s. 626.989, Florida
 1381 Statutes, if the person ~~who~~ knowingly submits a false,
 1382 misleading, or fraudulent application or other
 1383 document when applying for licensure as a health care
 1384 clinic, seeking an exemption from licensure as a
 1385 health care clinic, or demonstrating compliance with
 1386 part X of chapter 400, Florida Statutes, with the
 1387 intent to use the license, exemption from licensure,
 1388 or demonstration of compliance to provide services or
 1389 seek reimbursement under a motor vehicle liability
 1390 insurance policy's medical payments coverage ~~the~~
 1391 ~~Florida Motor Vehicle No-Fault Law~~, commits a
 1392 ~~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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1567 other penalties allowed by law, including, but not limited to,
 1568 the suspension of the insurer's certificate of authority.

1569 4. Failing to pay undisputed amounts of partial or full
 1570 benefits owed under first-party property insurance policies
 1571 within 90 days after an insurer receives notice of a residential
 1572 property insurance claim, determines the amounts of partial or
 1573 full benefits, and agrees to coverage, unless payment of the
 1574 undisputed benefits is prevented by an act of God, prevented by
 1575 the impossibility of performance, or due to actions by the
 1576 insured or claimant that constitute fraud, lack of cooperation,
 1577 or intentional misrepresentation regarding the claim for which
 1578 benefits are owed.

1579 (o) *Illegal dealings in premiums; excess or reduced charges*
 1580 *for insurance.-*

1581 1. Knowingly collecting any sum as a premium or charge for
 1582 insurance, which is not then provided, or is not in due course
 1583 to be provided, subject to acceptance of the risk by the
 1584 insurer, by an insurance policy issued by an insurer as
 1585 permitted by this code.

1586 2. Knowingly collecting as a premium or charge for
 1587 insurance any sum in excess of or less than the premium or
 1588 charge applicable to such insurance, in accordance with the
 1589 applicable classifications and rates as filed with and approved
 1590 by the office, and as specified in the policy; or, in cases when
 1591 classifications, premiums, or rates are not required by this
 1592 code to be so filed and approved, premiums and charges collected
 1593 from a Florida resident in excess of or less than those
 1594 specified in the policy and as fixed by the insurer.
 1595 Notwithstanding any other provision of law, this provision shall

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1596 not be deemed to prohibit the charging and collection, by
 1597 surplus lines agents licensed under part VIII of this chapter,
 1598 of the amount of applicable state and federal taxes, or fees as
 1599 authorized by s. 626.916(4), in addition to the premium required
 1600 by the insurer or the charging and collection, by licensed
 1601 agents, of the exact amount of any discount or other such fee
 1602 charged by a credit card facility in connection with the use of
 1603 a credit card, as authorized by subparagraph (q)3., in addition
 1604 to the premium required by the insurer. This subparagraph shall
 1605 not be construed to prohibit collection of a premium for a
 1606 universal life or a variable or indeterminate value insurance
 1607 policy made in accordance with the terms of the contract.

1608 3.a. Imposing or requesting an additional premium for
 1609 bodily injury liability coverage, property damage liability
 1610 coverage a policy of motor vehicle liability, personal injury
 1611 protection, medical payment coverage, or collision coverage in a
 1612 motor vehicle liability insurance policy insurance or any
 1613 ~~combination thereof~~ or refusing to renew the policy solely
 1614 because the insured was involved in a motor vehicle accident
 1615 unless the insurer's file contains information from which the
 1616 insurer in good faith determines that the insured was
 1617 substantially at fault in the accident.

1618 b. An insurer which imposes and collects such a surcharge
 1619 or which refuses to renew such policy shall, in conjunction with
 1620 the notice of premium due or notice of nonrenewal, notify the
 1621 named insured that he or she is entitled to reimbursement of
 1622 such amount or renewal of the policy under the conditions listed
 1623 below and will subsequently reimburse him or her or renew the
 1624 policy, if the named insured demonstrates that the operator

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1625 involved in the accident was:

1626 (I) Lawfully parked;

1627 (II) Reimbursed by, or on behalf of, a person responsible
1628 for the accident or has a judgment against such person;

1629 (III) Struck in the rear by another vehicle headed in the
1630 same direction and was not convicted of a moving traffic
1631 violation in connection with the accident;

1632 (IV) Hit by a "hit-and-run" driver, if the accident was
1633 reported to the proper authorities within 24 hours after
1634 discovering the accident;

1635 (V) Not convicted of a moving traffic violation in
1636 connection with the accident, but the operator of the other
1637 automobile involved in such accident was convicted of a moving
1638 traffic violation;

1639 (VI) Finally adjudicated not to be liable by a court of
1640 competent jurisdiction;

1641 (VII) In receipt of a traffic citation which was dismissed
1642 or nolle prossed; or

1643 (VIII) Not at fault as evidenced by a written statement
1644 from the insured establishing facts demonstrating lack of fault
1645 which are not rebutted by information in the insurer's file from
1646 which the insurer in good faith determines that the insured was
1647 substantially at fault.

1648 c. In addition to the other provisions of this
1649 subparagraph, an insurer may not fail to renew a policy if the
1650 insured has had only one accident in which he or she was at
1651 fault within the current 3-year period. However, an insurer may
1652 nonrenew a policy for reasons other than accidents in accordance
1653 with s. 627.728. This subparagraph does not prohibit nonrenewal

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1654 of a policy under which the insured has had three or more
1655 accidents, regardless of fault, during the most recent 3-year
1656 period.

1657 4. Imposing or requesting an additional premium for, or
1658 refusing to renew, a policy for motor vehicle insurance solely
1659 because the insured committed a noncriminal traffic infraction
1660 as described in s. 318.14 unless the infraction is:

1661 a. A second infraction committed within an 18-month period,
1662 or a third or subsequent infraction committed within a 36-month
1663 period.

1664 b. A violation of s. 316.183, when such violation is a
1665 result of exceeding the lawful speed limit by more than 15 miles
1666 per hour.

1667 5. Upon the request of the insured, the insurer and
1668 licensed agent shall supply to the insured the complete proof of
1669 fault or other criteria which justifies the additional charge or
1670 cancellation.

1671 6. No insurer shall impose or request an additional premium
1672 for motor vehicle insurance, cancel or refuse to issue a policy,
1673 or refuse to renew a policy because the insured or the applicant
1674 is a handicapped or physically disabled person, so long as such
1675 handicap or physical disability does not substantially impair
1676 such person's mechanically assisted driving ability.

1677 7. No insurer may cancel or otherwise terminate any
1678 insurance contract or coverage, or require execution of a
1679 consent to rate endorsement, during the stated policy term for
1680 the purpose of offering to issue, or issuing, a similar or
1681 identical contract or coverage to the same insured with the same
1682 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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1741 ~~Law.~~

1742 b. A claim for payment or other benefit under medical
 1743 payments coverage pursuant to a personal injury protection
 1744 ~~insurance policy under the Florida Motor Vehicle No-Fault Law~~ if
 1745 the person knows that the payee knowingly submitted a false,
 1746 misleading, or fraudulent application or other document when
 1747 applying for licensure as a health care clinic, seeking an
 1748 exemption from licensure as a health care clinic, or
 1749 demonstrating compliance with part X of chapter 400.

1750 Section 34. Subsection (1) of section 627.06501, Florida
 1751 Statutes, is amended to read:

1752 627.06501 Insurance discounts for certain persons
 1753 completing driver improvement course.-

1754 (1) Any rate, rating schedule, or rating manual for the
 1755 liability, medical payments personal injury protection, and
 1756 collision coverages of a motor vehicle insurance policy filed
 1757 with the office may provide for an appropriate reduction in
 1758 premium charges as to such coverages if when the principal
 1759 operator on the covered vehicle has successfully completed a
 1760 driver improvement course approved and certified by the
 1761 Department of Highway Safety and Motor Vehicles which is
 1762 effective in reducing crash or violation rates, or both, as
 1763 determined pursuant to s. 318.1451(5). Any discount, not to
 1764 exceed 10 percent, used by an insurer is presumed to be
 1765 appropriate unless credible data demonstrates otherwise.

1766 Section 35. Subsection (1) of section 627.0652, Florida
 1767 Statutes, is amended to read:

1768 627.0652 Insurance discounts for certain persons completing
 1769 safety course.-

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1770 (1) Any rates, rating schedules, or rating manuals for the
 1771 liability, medical payments personal injury protection, and
 1772 collision coverages of a motor vehicle insurance policy filed
 1773 with the office must shall provide for an appropriate reduction
 1774 in premium charges as to such coverages if when the principal
 1775 operator on the covered vehicle is an insured 55 years of age or
 1776 older who has successfully completed a motor vehicle accident
 1777 prevention course approved by the Department of Highway Safety
 1778 and Motor Vehicles. Any discount used by an insurer is presumed
 1779 to be appropriate unless credible data demonstrates otherwise.

1780 Section 36. Subsections (1), (3), and (6) of section
 1781 627.0653, Florida Statutes, are amended to read:

1782 627.0653 Insurance discounts for specified motor vehicle
 1783 equipment.-

1784 (1) Any rates, rating schedules, or rating manuals for the
 1785 liability, medical payments personal injury protection, and
 1786 collision coverages of a motor vehicle insurance policy filed
 1787 with the office must shall provide a premium discount if the
 1788 insured vehicle is equipped with factory-installed, four-wheel
 1789 antilock brakes.

1790 (3) Any rates, rating schedules, or rating manuals for
 1791 ~~personal injury protection coverage and~~ medical payments
 1792 ~~coverage, if offered,~~ of a motor vehicle insurance policy filed
 1793 with the office must shall provide a premium discount if the
 1794 insured vehicle is equipped with one or more air bags that which
 1795 are factory installed.

1796 (6) The Office of Insurance Regulation may approve a
 1797 premium discount to any rates, rating schedules, or rating
 1798 manuals for the liability, medical payments personal injury

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1799 ~~protection~~, and collision coverages of a motor vehicle insurance
1800 policy filed with the office if the insured vehicle is equipped
1801 with autonomous driving technology or electronic vehicle
1802 collision avoidance technology that is factory installed or a
1803 retrofitted system and that complies with National Highway
1804 Traffic Safety Administration standards.

1805 Section 37. Section 627.4132, Florida Statutes, is amended
1806 to read:

1807 627.4132 Stacking of coverages prohibited.—If an insured or
1808 named insured is protected by any type of motor vehicle
1809 insurance policy for bodily injury and property damage
1810 liability, ~~personal injury protection, or other coverage~~, the
1811 policy must ~~shall~~ provide that the insured or named insured is
1812 protected only to the extent of the coverage she or he has on
1813 the vehicle involved in the accident. However, if none of the
1814 insured's or named insured's vehicles are ~~is~~ involved in the
1815 accident, coverage is available only to the extent of coverage
1816 on any one of the vehicles with applicable coverage. Coverage on
1817 any other vehicles may ~~shall~~ not be added to or stacked upon
1818 that coverage. This section does not apply:

1819 (1) To uninsured motorist coverage that ~~which~~ is separately
1820 governed by s. 627.727.

1821 (2) To reduce the coverage available by reason of insurance
1822 policies insuring different named insureds.

1823 Section 38. Section 627.7263, Florida Statutes, is amended
1824 to read:

1825 627.7263 Rental and leasing driver's insurance to be
1826 primary; exception.—

1827 (1) The valid and collectible liability insurance and

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1828 medical payments coverage ~~or personal injury protection~~
1829 ~~insurance providing coverage~~ for the lessor of a motor vehicle
1830 for rent or lease is primary unless otherwise stated in at least
1831 10-point type on the face of the rental or lease agreement. Such
1832 insurance is primary for the limits of liability ~~and personal~~
1833 ~~injury protection~~ coverage as required by s. 324.021(7) and
1834 medical payments coverage as required under s. 627.7265 ~~ss-~~
1835 ~~324.021(7) and 627.736~~.

1836 (2) If the lessee's coverage is to be primary, the rental
1837 or lease agreement must contain the following language, in at
1838 least 10-point type:

1839 "The valid and collectible liability insurance and
1840 medical payments coverage ~~personal injury protection~~
1841 ~~insurance~~ of an ~~any~~ authorized rental or leasing
1842 driver is primary for the limits of liability ~~and~~
1843 ~~personal injury protection~~ coverage and medical
1844 payments coverage required under ss. 324.021(7) and
1845 627.7265 ~~by ss. 324.021(7) and 627.736~~, Florida
1846 Statutes."

1847 Section 39. Section 627.7265, Florida Statutes, is created
1848 to read:

1849 627.7265 Motor vehicle insurance; medical payments
1850 coverage.—

1851 (1) DEFINITIONS.—As used in this section, the term:

1852 (a) "Broker" means a person who does not possess a license
1853 under chapter 395, chapter 400, chapter 429, chapter 458,
1854 chapter 459, chapter 460, chapter 461, or chapter 641; who
1855 charges or receives compensation for any use of medical
1856

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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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1915 461, if not furnished in a hospital, means such services must be
 1916 an integral, even if incidental, part of a covered physician's
 1917 service.

1918 (e) "Knowingly" means a person has actual knowledge of
 1919 information, acts in deliberate ignorance of the truth or
 1920 falsity of the information, or acts in reckless disregard of the
 1921 information. Proof of specific intent to defraud is not
 1922 required.

1923 (f) "Lawful" or "lawfully" means in substantial compliance
 1924 with all relevant applicable criminal, civil, and administrative
 1925 requirements of state and federal law related to the provision
 1926 of medical care.

1927 (g) "Medical care" means any medical service, medical
 1928 treatment, medical supply, medical transportation, prescription
 1929 drug, or emergency services and care as defined in s.
 1930 395.002(9).

1931 (h) "Medically necessary" means medical care that a prudent
 1932 physician or other qualified health care professional would
 1933 provide for the purpose of preventing, diagnosing, or treating
 1934 an illness, injury, disease, or symptom in a manner that is:

1935 1. In accordance with generally accepted standards of
 1936 medical practice;

1937 2. Clinically appropriate in terms of type, frequency,
 1938 extent, site, and duration; and

1939 3. Not primarily for the convenience of the patient,
 1940 physician, or other health care provider.

1941 (i) "Motor vehicle" means a self-propelled vehicle with
 1942 four or more wheels which is designed and required to be
 1943 licensed for use on the highways of this state, and any trailer

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1944 or semitrailer designed for use with such vehicle. The term does
 1945 not include:

1946 1. A mobile home; or

1947 2. A motor vehicle that is used in mass transit, other than
 1948 public school transportation; that is designed to transport more
 1949 than five passengers exclusive of the operator of the motor
 1950 vehicle; and that is owned by a municipality, a transit
 1951 authority, or a political subdivision of the state.

1952 (j) "Named insured" means a person identified in a policy
 1953 by name as an insured under the policy.

1954 (k) "Newly acquired vehicle" means a motor vehicle owned by
 1955 a named insured or resident relative of the named insured which
 1956 was acquired 30 or less days before an accident.

1957 (l) "Properly completed" means providing truthful,
 1958 substantially complete, and substantially accurate responses as
 1959 to all material elements to each applicable request for
 1960 information or for a statement, by a means that may lawfully be
 1961 provided and that complies with this section or as agreed by the
 1962 parties.

1963 (m) "Resident relative" means a person related to a named
 1964 insured by any degree by blood, marriage, or adoption, including
 1965 a ward or foster child, who usually makes his or her home in the
 1966 same family unit as the named insured, regardless of whether the
 1967 resident relative temporarily lives elsewhere.

1968 (n) "Temporary substitute vehicle" means a motor vehicle as
 1969 defined in s. 320.01(1) which is not owned by the named insured
 1970 and which is temporarily used with the permission of the owner
 1971 as a substitute for the owned motor vehicle designated on the
 1972 policy when the owned vehicle is withdrawn from normal use

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1973 because of breakdown, repair, servicing, loss, or destruction.

1974 (o) "Unbundled" means an action to submit a billing code
 1975 that is properly billed under one billing code, but that has
 1976 been separated into two or more billing codes, which would
 1977 result in payment greater in amount than would be paid using one
 1978 billing code.

1979 (p) "Upcoded" means an action to submit a billing code that
 1980 would result in payment greater in amount than would be paid
 1981 using a billing code that accurately describes the services
 1982 performed. The term does not include an otherwise lawful bill by
 1983 a magnetic resonance imaging facility, which globally combines
 1984 both technical and professional components, if the amount of the
 1985 global bill is not more than for the components if billed
 1986 separately; however, payment of such a bill constitutes payment
 1987 in full for all components of such service.

1988 (2) REQUIRED SECURITY.—

1989 (a) A motor vehicle liability insurance policy that is
 1990 furnished as proof of financial responsibility pursuant to s.
 1991 324.031 must include medical payments coverage as provided in
 1992 this section. The medical payments coverage must protect the
 1993 named insured, resident relatives, persons operating the insured
 1994 motor vehicle, passengers in the insured motor vehicle, and
 1995 other persons who are struck by the insured motor vehicle and
 1996 suffer bodily injury while not an occupant of a self-propelled
 1997 motor vehicle, to a limit of at least \$5,000 per person for
 1998 medical expense incurred due to bodily injury, sickness, or
 1999 disease arising out of the ownership, maintenance, or use of a
 2000 motor vehicle.

2001 (b) An insurer may not offer medical payments coverage with

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2002 a deductible to an applicant or policyholder.

2003 (c) This section may not be construed to limit any other
 2004 coverage made available by an insurer.

2005 (3) AUTHORIZED EXCLUSIONS.—Notwithstanding any other
 2006 requirement in this section, an insurer may exclude medical
 2007 payment benefits:

2008 (a) For injury sustained by the named insured or a resident
 2009 relative while occupying another motor vehicle owned by the
 2010 named insured and not insured under the policy, unless such
 2011 vehicle qualifies as a newly acquired vehicle or temporary
 2012 substitute vehicle.

2013 (b) For injury sustained by any person operating the
 2014 insured motor vehicle without the express or implied consent of
 2015 the insured.

2016 (c) For any person who intentionally causes injury to
 2017 himself or herself.

2018 (d) For any person injured while committing a felony.

2019 (4) REQUIRED BENEFITS.—

2020 (a) Medical payments coverage must provide reimbursement of
 2021 medically necessary medical, surgical, X-ray, dental, and
 2022 rehabilitative services, including prosthetic devices and
 2023 ambulance, hospital, and nursing services, if the individual
 2024 receives initial services and care pursuant to subparagraph 1.
 2025 within 14 days after the motor vehicle accident. Medical
 2026 payments coverage provides reimbursement only for:

2027 1. Initial services and care that are lawfully provided,
 2028 supervised, ordered, or prescribed by a physician licensed under
 2029 chapter 458 or chapter 459, a dentist licensed under chapter
 2030 466, or a chiropractic physician licensed under chapter 460; or

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2031 that are provided in a hospital or in a facility that owns, or
 2032 is wholly owned by, a hospital. Initial services and care may
 2033 also be provided by a person or entity licensed under part III
 2034 of chapter 401 which provides emergency transportation and
 2035 treatment.

2036 2. Upon referral by a provider described in subparagraph
 2037 1., followup services and care consistent with the underlying
 2038 medical diagnosis rendered pursuant to subparagraph 1. which may
 2039 be provided, supervised, ordered, or prescribed only by a
 2040 physician licensed under chapter 458 or chapter 459; a
 2041 chiropractic physician licensed under chapter 460; a dentist
 2042 licensed under chapter 466; or, to the extent permitted by
 2043 applicable law and under the supervision of such physician,
 2044 osteopathic physician, chiropractic physician, or dentist, by a
 2045 physician assistant licensed under chapter 458 or chapter 459 or
 2046 an advanced registered nurse practitioner licensed under chapter
 2047 464. Followup services and care may also be provided by the
 2048 following persons or entities:

2049 a. A hospital or ambulatory surgical center licensed under
 2050 chapter 395.

2051 b. An entity wholly owned by one or more physicians
 2052 licensed under chapter 458 or chapter 459, chiropractic
 2053 physicians licensed under chapter 460, or dentists licensed
 2054 under chapter 466, or by such practitioners and the spouse,
 2055 parent, child, or sibling of such practitioners.

2056 c. An entity that owns or is wholly owned, directly or
 2057 indirectly, by a hospital or hospitals.

2058 d. A physical therapist licensed under chapter 486, based
 2059 upon a referral by a provider described in this subparagraph.

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2060 e. A health care clinic licensed under part X of chapter
 2061 400 which is accredited by an accrediting organization whose
 2062 standards incorporate comparable regulations required by this
 2063 state, or which:

2064 (I) Has a medical director licensed under chapter 458,
 2065 chapter 459, or chapter 460;

2066 (II) Has been continuously licensed for more than 3 years
 2067 or is a publicly traded corporation that issues securities
 2068 traded on an exchange registered with the United States
 2069 Securities and Exchange Commission as a national securities
 2070 exchange; and

2071 (III) Provides at least four of the following medical
 2072 specialties:

2073 (A) General medicine.

2074 (B) Radiography.

2075 (C) Orthopedic medicine.

2076 (D) Physical medicine.

2077 (E) Physical therapy.

2078 (F) Physical rehabilitation.

2079 (G) Prescribing or dispensing outpatient prescription
 2080 medication.

2081 (H) Laboratory services.

2082 (b) Medical benefits do not include massage as defined in
 2083 s. 480.033 or acupuncture as defined in s. 457.102, regardless
 2084 of the person, entity, or licensee providing massage or
 2085 acupuncture, and a licensed massage therapist or licensed
 2086 acupuncturist may not be reimbursed for medical benefits under
 2087 this section.

2088 (c) The commission shall adopt by rule the form that must

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2089 be used by an insurer and a health care provider specified in
 2090 sub-subparagraph (a)2.b., sub-subparagraph (a)2.c., or sub-
 2091 subparagraph (a)2.e. to document that the health care provider
 2092 meets the criteria of this subsection. Such rule must include a
 2093 requirement for a sworn statement or affidavit.

2094 (5) PAYMENT OF BENEFITS.-

2095 (a) Benefits due from an insurer under medical payments
 2096 coverage are primary to any health insurance benefit of a person
 2097 injured in a motor vehicle accident and apply to any coinsurance
 2098 or deductible amount required by the injured person's health
 2099 insurance policy, except that:

2100 1. Benefits received under any workers' compensation law
 2101 must be credited against medical payments coverage benefits and
 2102 must be due and payable as loss accrues.

2103 2. When the Agency for Health Care Administration provides,
 2104 pays, or becomes liable for medical assistance under the
 2105 Medicaid program related to injury, sickness, disease, or death
 2106 arising out of the ownership, maintenance, or use of a motor
 2107 vehicle, medical payments benefits are subject to the provisions
 2108 of the Medicaid program, and, within 30 days after receiving
 2109 notice that the Medicaid program paid such benefits, the insurer
 2110 must repay the full amount of the benefits to the Medicaid
 2111 program.

2112 (b) Medical payments coverage benefits payable under this
 2113 section are overdue if they are not paid within 30 days after
 2114 the insurer is furnished with written notice of the fact and the
 2115 amount of a covered loss. However:

2116 1. If written notice of the entire claim is not furnished
 2117 to the insurer, any partial amount supported by written notice

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2118 is overdue if it is not paid within 30 days after the notice is
 2119 furnished to the insurer. The remainder of the claim, or any
 2120 part thereof, which is subsequently supported by written notice
 2121 is overdue if not paid within 30 days after the notice is
 2122 furnished to the insurer.

2123 2. If an insurer pays only a portion of a claim or rejects
 2124 a claim, the insurer must provide at the time of the partial
 2125 payment or rejection an itemized specification of each item that
 2126 the insurer had reduced, omitted, or declined to pay and any
 2127 information that the insurer desires the claimant to consider
 2128 related to the medical necessity of the denied treatment or any
 2129 information that explains the reasonableness of the reduced
 2130 charge if this does not limit the introduction of evidence at
 2131 trial. The insurer shall also include the name and address of
 2132 the person to whom the claimant should respond and a claim
 2133 number to be referenced in future correspondence.

2134 3. If an insurer pays only a portion of a claim or rejects
 2135 a claim due to an alleged error in the claim, the insurer, at
 2136 the time of the partial payment or rejection, must provide an
 2137 itemized specification or explanation of benefits not paid or
 2138 rejected due to the specified error. Upon receiving the
 2139 specification or explanation, the claimant, at his or her option
 2140 and without waiving any other legal remedy for payment, has 15
 2141 days to submit a revised claim. The submission of a revised
 2142 claim is considered a timely submission of written notice of a
 2143 claim.

2144 4. Notwithstanding the fact that written notice has been
 2145 furnished to the insurer, payment is not overdue if the insurer
 2146 has reasonable proof that the insurer is not responsible for the

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2147 payment.

2148 5. For the purpose of calculating the extent to which
 2149 benefits are overdue, payment is treated as being made on the
 2150 date that a draft, or other valid instrument that is equivalent
 2151 to payment, was placed in the United States mail in a properly
 2152 addressed, postpaid envelope or, if not so posted, on the date
 2153 of delivery.

2154 6. This paragraph does not preclude or limit the ability of
 2155 the insurer to assert that the claim was unrelated, was not
 2156 medically necessary, or was unreasonable or that the amount of
 2157 the charge was in excess of that permitted under, or is in
 2158 violation of, subsection (6). Such assertion may be made at any
 2159 time, including after payment of the claim or after the 30-day
 2160 period for payment specified in this paragraph.

2161 (c) All overdue payments bear simple interest at the rate
 2162 established under s. 55.03 or the rate established in the
 2163 insurance contract, whichever is greater, for the quarter in
 2164 which the payment became overdue, calculated from the date the
 2165 insurer was furnished with written notice of the amount of
 2166 covered loss. Interest is due at the time payment of the overdue
 2167 claim is made.

2168 (d) It is a violation of the Florida Insurance Code for an
 2169 insurer to fail to timely provide benefits as required by this
 2170 section with such frequency as to constitute a general business
 2171 practice.

2172 (e) If two or more insurers are liable for paying medical
 2173 payments coverage benefits for the same injury to any one
 2174 person, the maximum payable benefits are as specified in
 2175 subsection (2), and the insurer paying the benefits is entitled

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2176 to recover from each of the other insurers an equitable pro rata
 2177 share of the benefits paid and expenses incurred in processing
 2178 the claim.

2179 (f) Benefits are not due or payable to or on behalf of an
 2180 insured person if that person has committed, by a material act
 2181 or omission, insurance fraud relating to medical payments
 2182 coverage under his or her policy and if the fraud is admitted to
 2183 in a sworn statement by the insured or established in a court of
 2184 competent jurisdiction. Any insurance fraud voids all coverage
 2185 arising from the claim related to such fraud under the medical
 2186 payments coverage of the insured person who committed the fraud,
 2187 regardless of whether a portion of the insured person's claim
 2188 may be legitimate, and any benefits paid before the discovery of
 2189 the fraud are recoverable by the insurer in their entirety from
 2190 the person who committed the insurance fraud. The prevailing
 2191 party is entitled to its costs and attorney fees in any action
 2192 to enforce the insurer's right of recovery under this paragraph.

2193 (g) If an insurer has a reasonable belief that a fraudulent
 2194 insurance act, for the purposes of s. 626.989 or s. 817.234, has
 2195 been committed, the insurer must notify the claimant in writing
 2196 within 30 days after submission of the claim that the claim is
 2197 being investigated for suspected fraud. Beginning at the end of
 2198 the initial 30-day period, the insurer has an additional 60 days
 2199 to conduct its fraud investigation. No later than 90 days after
 2200 the submission of the claim, the insurer must deny the claim or
 2201 pay the claim with simple interest as provided in paragraph (c).
 2202 Interest is assessed from the day the claim is submitted until
 2203 the day the claim is paid. All claims denied for suspected
 2204 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
 2285 However, if such services, supplies, or care is not reimbursable
 2286 under Medicare Part B as provided in this sub-subparagraph, the
 2287 insurer may limit reimbursement to 80 percent of the maximum
 2288 reimbursable allowance under workers' compensation. Services,
 2289 supplies, or care that is not reimbursable under Medicare or
 2290 workers' compensation is not required to be reimbursed by the
 2291 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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2321 codes. However, subparagraph 1. does not prohibit an insurer
 2322 from using the Medicare coding policies and payment
 2323 methodologies of the federal Centers for Medicare and Medicaid
 2324 Services, including applicable modifiers, to determine the
 2325 appropriate amount of reimbursement for medical services,
 2326 supplies, or care, if the coding policy or payment methodology
 2327 does not constitute a utilization limit.

2328 5. If an insurer limits payment as authorized by
 2329 subparagraph 1., the person providing such medical care may not
 2330 bill or attempt to collect from the insured any amount in excess
 2331 of such limits, except for amounts that are not covered by the
 2332 insured's medical payments benefits due to the maximum policy
 2333 limits.

2334 6. An insurer may limit payment as authorized by this
 2335 paragraph only if the insurance policy includes a notice at the
 2336 time of issuance or renewal that the insurer may limit payment
 2337 pursuant to the schedule of charges specified in this paragraph.
 2338 A policy form approved by the office satisfies this requirement.
 2339 If a provider submits a charge for an amount less than the
 2340 amount allowed under subparagraph 1., the insurer may pay the
 2341 amount of the charge submitted.

2342 (b)1. An insurer or insured is not required to pay a claim
 2343 or charges:

2344 a. Made by a broker or by a person making a claim on behalf
 2345 of a broker;

2346 b. For any service or treatment that was not lawful at the
 2347 time rendered;

2348 c. To any person who knowingly submits a false or
 2349 misleading statement relating to the claim or charges;

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2350 d. With respect to a bill or statement that does not
 2351 substantially meet the applicable requirements of paragraph (d);

2352 e. For medical care billed by a physician and not provided
 2353 in a hospital unless the care is rendered by the physician or is
 2354 incident to his or her professional services and is included on
 2355 the physician's bill, including documentation verifying that the
 2356 physician is responsible for the medical care that was rendered
 2357 and billed; or

2358 f. For any treatment or service that is upcoded or that is
 2359 unbundled when the treatment or services should be bundled. To
 2360 facilitate prompt payment of lawful services, an insurer may
 2361 change codes that it determines have been improperly or
 2362 incorrectly upcoded or unbundled and may make payment based on
 2363 the changed codes, without affecting the right of the provider
 2364 to dispute the change by the insurer, if, before doing so, the
 2365 insurer contacts the health care provider and discusses the
 2366 reasons for the insurer's change and the health care provider's
 2367 reason for the coding, or makes a reasonable good faith effort
 2368 to do so, as documented in the insurer's file.

2369 2. The Department of Health, in consultation with the
 2370 appropriate professional licensing boards, shall adopt by rule a
 2371 list of diagnostic tests deemed not to be medically necessary
 2372 for use in the treatment of persons sustaining bodily injury
 2373 covered by medical payments benefits under this section. The
 2374 list must be revised from time to time as determined by the
 2375 Department of Health in consultation with the respective
 2376 professional licensing boards. Inclusion of a test on the list
 2377 must be based on a lack of demonstrated medical value and a
 2378 level of general acceptance by the relevant provider community

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2379 and may not be dependent on results based entirely upon
 2380 subjective patient response. Notwithstanding its inclusion on a
 2381 fee schedule in this subsection, an insurer or insured is not
 2382 required to pay any charges or reimburse claims for an invalid
 2383 diagnostic test as determined by the Department of Health.
 2384 (c) With respect to any medical care other than medical
 2385 services billed by a hospital or other provider for emergency
 2386 services and care, as defined in s. 395.002, or inpatient
 2387 services rendered at a hospital-owned facility, the statement of
 2388 charges must be furnished to the insurer by the provider. The
 2389 statement may not include, and the insurer is not required to
 2390 pay, charges for treatment or services rendered more than 35
 2391 days before the postmark date or electronic transmission date of
 2392 the statement, except for past due amounts previously billed on
 2393 a timely basis under this paragraph and except that, if the
 2394 provider submits to the insurer a notice of initiation of
 2395 treatment within 21 days after its first examination or
 2396 treatment of the claimant, the statement may include charges for
 2397 treatment or services rendered up to, but not more than, 75 days
 2398 before the postmark date of the statement. The injured party is
 2399 not liable for, and the provider may not bill the injured party
 2400 for, charges that are unpaid because of the provider's failure
 2401 to comply with this paragraph. Any agreement requiring the
 2402 injured party or insured to pay such charges is unenforceable.
 2403 1. If the insured fails to furnish the provider with the
 2404 correct name and address of the insured's medical payments
 2405 coverage insurer, the provider has 35 days from the date the
 2406 provider obtains the correct information to furnish the insurer
 2407 with a statement of the charges. The insurer is not required to

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2408 pay such charges unless the provider includes with the statement
 2409 documentary evidence that was provided by the insured during the
 2410 35-day period demonstrating that the provider reasonably relied
 2411 on erroneous information from the insured, and either:
 2412 a. A denial letter from the incorrect insurer; or
 2413 b. Proof of mailing, which may include an affidavit under
 2414 penalty of perjury, reflecting timely mailing to the incorrect
 2415 address or insurer.
 2416 2. For emergency services and care rendered in a hospital
 2417 emergency department or for transport and treatment rendered by
 2418 an ambulance provider licensed pursuant to part III of chapter
 2419 401, the provider is not required to furnish the statement of
 2420 charges within the timeframes established by this paragraph, and
 2421 the insurer is not deemed to have been furnished with notice of
 2422 the amount of covered loss for purposes of paragraph (5) (b)
 2423 until it receives a statement, or a copy thereof, complying with
 2424 paragraph (d) which specifically identifies the place of service
 2425 to be a hospital emergency department or an ambulance in
 2426 accordance with billing standards recognized by the federal
 2427 Centers for Medicare and Medicaid Services.
 2428 (d) All statements and bills for medical services rendered
 2429 by a physician, hospital, clinic, or other person or institution
 2430 must be submitted to the insurer on a properly completed Centers
 2431 for Medicare and Medicaid Services Form CMS-1500, a UB-92 form,
 2432 or any other standard form approved by the office and adopted by
 2433 the commission for purposes of this paragraph. All billings for
 2434 such services rendered by providers must, to the extent
 2435 applicable, comply with the Form CMS-1500 instructions, the
 2436 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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2495 for which payment is being claimed shall sign, by his or her own
 2496 hand, the form complying with this paragraph.

2497 5. The original completed disclosure and acknowledgment
 2498 form must be furnished to the insurer pursuant to paragraph
 2499 (5) (b) and may not be electronically furnished.

2500 6. The disclosure and acknowledgment form is not required
 2501 for emergency services and care, as defined in s. 395.002, which
 2502 are billed by a provider and which are rendered in a hospital
 2503 emergency department, or for transport and treatment rendered by
 2504 an ambulance provider licensed pursuant to part III of chapter
 2505 401.

2506 7. The commission shall adopt by rule a standard disclosure
 2507 and acknowledgment form to be used to fulfill the requirements
 2508 of this paragraph.

2509 8. As used in this paragraph, the terms "countersign" and
 2510 "countersignature" mean a second or verifying signature, as on a
 2511 previously signed document. The statement "signature on file" or
 2512 any similar statement does not constitute a countersignature.

2513 9. The requirements of this paragraph apply only with
 2514 respect to the initial treatment of or service rendered to the
 2515 insured by a provider. For subsequent treatments or service, the
 2516 provider must maintain a patient log signed by the patient, in
 2517 chronological order by date of service, which is consistent with
 2518 the services being rendered to the patient as claimed. The
 2519 requirement to maintain a patient log signed by the patient may
 2520 be met by a hospital that maintains medical records as required
 2521 by s. 395.3025 and applicable rules and that makes such records
 2522 available to the insurer upon request.

2523 (f) Upon written notification by any person, an insurer

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2524 shall investigate any claim of improper billing by a physician
 2525 or other medical provider. The insurer shall determine if the
 2526 insured was properly billed for only the medical care the
 2527 insured actually received. If the insurer determines that the
 2528 insured has been improperly billed, the insurer must notify the
 2529 insured, the person making the written notification, and the
 2530 provider of its findings and reduce the amount of payment to the
 2531 provider by the amount determined to be improperly billed. If a
 2532 reduction is made due to a written notification by any person,
 2533 the insurer must pay to the person 20 percent of the amount of
 2534 the reduction, up to \$500. If the provider is arrested due to
 2535 the improper billing, the insurer must pay to the person 40
 2536 percent of the amount of the reduction, up to \$500.

2537 (g) An insurer may not systematically downcode with the
 2538 intent to deny reimbursement otherwise due. Such action
 2539 constitutes a material misrepresentation under s. 626.9541(1)(i)
 2540 2.

2541 (h) An entity excluded from the definition of the term
 2542 "clinic" in s. 400.9905 must be deemed a clinic and must be
 2543 licensed under part X of chapter 400 in order to receive
 2544 reimbursement under medical payments coverage. However, this
 2545 licensing requirement does not apply to:

2546 1. An entity wholly owned by a physician licensed under
 2547 chapter 458 or chapter 459, or by the physician and the spouse,
 2548 parent, child, or sibling of the physician;

2549 2. An entity wholly owned by a dentist licensed under
 2550 chapter 466, or by the dentist and the spouse, parent, child, or
 2551 sibling of the dentist;

2552 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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2669 general business practice is engaging in an unfair trade
 2670 practice under the Florida Insurance Code.

2671 (b) In the event of a dispute regarding an insurer's right
 2672 to discovery of facts under this section, the insurer may
 2673 petition a court of competent jurisdiction to enter an order
 2674 permitting such discovery. The order may be made only on motion
 2675 for good cause shown and upon notice to all persons having an
 2676 interest and must specify the time, place, manner, conditions,
 2677 and scope of the discovery. In order to protect against
 2678 annoyance, embarrassment, or oppression, as justice requires,
 2679 the court may enter an order refusing discovery or specifying
 2680 conditions of discovery and may order payment of costs and
 2681 expenses of the proceeding, including reasonable fees for the
 2682 appearance of attorneys at the proceedings, as justice requires.

2683 (c) Upon request, the injured person must be furnished a
 2684 copy of all information obtained by the insurer under this
 2685 section, and pay a reasonable charge, if required by the
 2686 insurer.

2687 (d) An insured may not unreasonably withhold notice to an
 2688 insurer of the existence of a claim.

2689 (e) In a dispute between the insured and the insurer, or
 2690 between an assignee of the insured's rights and the insurer,
 2691 upon request, the insurer must notify the insured or the
 2692 assignee that the policy limits under this section have been
 2693 reached within 15 days after the limits have been reached.

2694 (f) In any civil action to recover medical payments
 2695 benefits brought against an insurer by a claimant pursuant to
 2696 this section, all claims related to the same health care
 2697 provider for the same injured person must be brought in one

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2698 action, unless good cause is shown why the claims should be
 2699 brought separately.

2700 (g) An insured seeking medical payments coverage benefits,
 2701 including an omnibus insured, must comply with the terms of the
 2702 policy, which include, but are not limited to, submitting to an
 2703 examination under oath. The scope of questioning during the
 2704 examination under oath is limited to relevant information or
 2705 information that could reasonably be expected to lead to
 2706 relevant information. Compliance with this paragraph is a
 2707 condition precedent to receiving benefits. An insurer that, as a
 2708 general business practice as determined by the office, requests
 2709 an examination under oath of an insured or an omnibus insured
 2710 without a reasonable basis is subject to s. 626.9541.

2711 (9) MENTAL AND PHYSICAL EXAMINATION OF INJURED PERSON;
 2712 REPORTS.—

2713 (a) Whenever the mental or physical condition of an injured
 2714 person covered by medical payments benefits is material to any
 2715 claim that has been or may be made for past or future medical
 2716 payments coverage benefits, such person must, upon the request
 2717 of an insurer, submit to a mental or physical examination by a
 2718 physician or physicians. The costs of any examination requested
 2719 by an insurer must be borne entirely by the insurer. Such
 2720 examination must be conducted within the municipality where the
 2721 insured is receiving treatment; in a location reasonably
 2722 accessible to the insured, which, for purposes of this
 2723 paragraph, means any location within the municipality in which
 2724 the insured resides; or any location within 10 miles by road of
 2725 the insured's residence, if such location is within the county
 2726 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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2843 insurer, if requested by the claimant in the notice, when the
 2844 insurer pays the claim. Such notice must be sent to the person
 2845 and address specified by the insurer for the purposes of
 2846 receiving notices under this subsection. Each licensed insurer,
 2847 whether domestic, foreign, or alien, shall file with the office
 2848 the name and address of the designated person to whom notices
 2849 must be sent, which the office shall make available on its
 2850 website. The person whose name and address is on file with the
 2851 office pursuant to s. 624.422 is deemed the authorized
 2852 representative to accept notice pursuant to this subsection if
 2853 no other designation has been made.

2854 (d) If, within 30 days after receipt of notice by the
 2855 insurer, the overdue claim specified in the notice is paid by
 2856 the insurer together with applicable interest and a penalty of
 2857 10 percent of the overdue amount paid by the insurer, subject to
 2858 a maximum penalty of \$250, an action may not be brought against
 2859 the insurer. If the demand involves an insurer's withdrawal of
 2860 payment for future treatment not yet rendered, an action may not
 2861 be brought against the insurer if, within 30 days after its
 2862 receipt of the notice, the insurer mails to the person filing
 2863 the notice a written statement of the insurer's agreement to pay
 2864 for such treatment in accordance with the notice and to pay a
 2865 penalty of 10 percent, subject to a maximum penalty of \$250,
 2866 when it pays for such future treatment in accordance with the
 2867 requirements of this section. To the extent the insurer
 2868 determines not to pay any amount demanded, the penalty is not
 2869 payable in any subsequent action. For purposes of this
 2870 subsection, payment or the insurer's agreement must be treated
 2871 as being made on the date a draft or other valid instrument that

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2872 is equivalent to payment, or the insurer's written statement of
 2873 agreement, is placed in the United States mail in a properly
 2874 addressed, postpaid envelope or, if not so posted, on the date
 2875 of delivery. The insurer is not obligated to pay any attorney
 2876 fees if the insurer pays the claim or mails its agreement to pay
 2877 for future treatment within the time prescribed by this
 2878 subsection.

2879 (e) The applicable statute of limitation for an action
 2880 under this section is tolled for 30 business days by the mailing
 2881 of the notice required by this subsection.

2882 (12) ALL CLAIMS BROUGHT IN A SINGLE ACTION.—In any civil
 2883 action to recover medical payments coverage benefits brought by
 2884 a claimant pursuant to this section against an insurer, all
 2885 claims related to the same health care provider for the same
 2886 injured person must be brought in one action unless good cause
 2887 is shown why such claims should be brought separately. If the
 2888 court determines that a civil action is filed for a claim that
 2889 should have been brought in a prior civil action, the court may
 2890 not award attorney fees to the claimant.

2891 (13) FAILURE TO PAY VALID CLAIMS; UNFAIR OR DECEPTIVE
 2892 PRACTICE.—

2893 (a) An insurer is engaging in a prohibited unfair or
 2894 deceptive practice that is subject to the penalties provided in
 2895 s. 626.9521, and the office has the powers and duties specified
 2896 in ss. 626.9561-626.9601, if the insurer, with such frequency so
 2897 as to indicate a general business practice, fails to pay valid
 2898 claims for medical payments benefits or fails to pay valid
 2899 claims until receipt of the notice required under subsection
 2900 (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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2959 medical payments benefits, less any expenses of acquiring the
 2960 recovery, including a prorated share of attorney fees and costs,
 2961 and shall hold that net recovery in trust to be delivered to the
 2962 medical payments insurer.

2963 (b) The insurer does not have a right of subrogation for
 2964 medical payments coverage benefits paid for the insured if the
 2965 tortfeasor who caused the motor vehicle accident is also an
 2966 insured under the policy that paid the medical payments
 2967 benefits.

2968 Section 40. Subsections (1) and (7) of section 627.727,
 2969 Florida Statutes, are amended to read:

2970 627.727 Motor vehicle insurance; uninsured and underinsured
 2971 vehicle coverage; insolvent insurer protection.-

2972 (1) A ~~No~~ motor vehicle liability insurance policy that
 2973 which provides bodily injury liability coverage may not ~~shall~~ be
 2974 delivered or issued for delivery in this state with respect to
 2975 any specifically insured or identified motor vehicle registered
 2976 or principally garaged in this state, unless uninsured motor
 2977 vehicle coverage is provided therein or supplemental thereto for
 2978 the protection of persons insured thereunder who are legally
 2979 entitled to recover damages from owners or operators of
 2980 uninsured motor vehicles because of bodily injury, sickness, or
 2981 disease, including death, resulting therefrom. However, the
 2982 coverage required under this section is not applicable if ~~when~~,
 2983 or to the extent that, an insured named in the policy makes a
 2984 written rejection of the coverage on behalf of all insureds
 2985 under the policy. If ~~When~~ a motor vehicle is leased for ~~a period~~
 2986 ~~of~~ 1 year or longer and the lessor of such vehicle, by the terms
 2987 of the lease contract, provides liability coverage on the leased

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2988 vehicle, the lessee of such vehicle has ~~shall~~ have the sole
 2989 privilege to reject uninsured motorist coverage or to select
 2990 lower limits than the bodily injury liability limits, regardless
 2991 of whether the lessor is qualified as a self-insurer pursuant to
 2992 s. 324.171. Unless an insured, or lessee having the privilege of
 2993 rejecting uninsured motorist coverage, requests such coverage or
 2994 requests higher uninsured motorist limits in writing, the
 2995 coverage or such higher uninsured motorist limits need not be
 2996 provided in or supplemental to any other policy which renews,
 2997 extends, changes, supersedes, or replaces an existing policy
 2998 with the same bodily injury liability limits when an insured or
 2999 lessee had rejected the coverage. When an insured or lessee has
 3000 initially selected limits of uninsured motorist coverage lower
 3001 than her or his bodily injury liability limits, higher limits of
 3002 uninsured motorist coverage need not be provided in or
 3003 supplemental to any other policy that ~~which~~ renews, extends,
 3004 changes, supersedes, or replaces an existing policy with the
 3005 same bodily injury liability limits unless an insured requests
 3006 higher uninsured motorist coverage in writing. The rejection or
 3007 selection of lower limits must ~~shall~~ be made on a form approved
 3008 by the office. The form must ~~shall~~ fully advise the applicant of
 3009 the nature of the coverage and must ~~shall~~ state that the
 3010 coverage is equal to bodily injury liability limits unless lower
 3011 limits are requested or the coverage is rejected. The heading of
 3012 the form must ~~shall~~ be in 12-point bold type and must ~~shall~~
 3013 state: "You are electing not to purchase certain valuable
 3014 coverage that ~~which~~ protects you and your family or you are
 3015 purchasing uninsured motorist limits less than your bodily
 3016 injury liability limits when you sign this form. Please read

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3017 carefully." If this form is signed by a named insured, it will
 3018 be conclusively presumed that there was an informed, knowing
 3019 rejection of coverage or election of lower limits on behalf of
 3020 all insureds. The insurer shall notify the named insured at
 3021 least annually of her or his options as to the coverage required
 3022 by this section. Such notice ~~must shall~~ be part of, and attached
 3023 to, the notice of premium, ~~must shall~~ provide for a means to
 3024 allow the insured to request such coverage, and ~~must shall~~ be
 3025 given in a manner approved by the office. Receipt of this notice
 3026 does not constitute an affirmative waiver of the insured's right
 3027 to uninsured motorist coverage ~~if where~~ the insured has not
 3028 signed a selection or rejection form. The coverage described
 3029 under this section ~~must shall~~ be over and above, but ~~may shall~~
 3030 not duplicate, the benefits available to an insured under any
 3031 workers' compensation law, ~~personal injury protection benefits,~~
 3032 disability benefits law, or similar law; under any automobile
 3033 medical ~~payments expense~~ coverage; under any motor vehicle
 3034 liability insurance coverage; or from the owner or operator of
 3035 the uninsured motor vehicle or any other person or organization
 3036 jointly or severally liable together with such owner or operator
 3037 for the accident; and such coverage ~~must shall~~ cover the
 3038 difference, if any, between the sum of such benefits and the
 3039 damages sustained, up to the maximum amount of such coverage
 3040 provided under this section. The amount of coverage available
 3041 under this section ~~may shall~~ not be reduced by a setoff against
 3042 any coverage, including liability insurance. Such coverage ~~does~~
 3043 ~~shall~~ not inure directly or indirectly to the benefit of any
 3044 workers' compensation or disability benefits carrier or any
 3045 person or organization qualifying as a self-insurer under any

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3046 workers' compensation or disability benefits law or similar law.
 3047 (7) The legal liability of an uninsured motorist coverage
 3048 insurer ~~includes does not include~~ damages in tort for pain,
 3049 suffering, disability or physical impairment, disfigurement,
 3050 mental anguish, ~~and inconvenience,~~ and the loss of capacity for
 3051 the enjoyment of life experienced in the past and to be
 3052 experienced in the future unless the injury or disease is
 3053 ~~described in one or more of paragraphs (a)-(d) of s. 627.737(2).~~
 3054 Section 41. Subsection (1) and paragraphs (a) and (b) of
 3055 subsection (2) of section 627.7275, Florida Statutes, are
 3056 amended to read:
 3057 627.7275 Motor vehicle liability.-
 3058 (1) A motor vehicle insurance policy ~~providing personal~~
 3059 ~~injury protection as set forth in s. 627.736~~ may not be
 3060 delivered or issued for delivery in this state for a with
 3061 ~~respect to any~~ specifically insured or identified motor vehicle
 3062 registered or principally garaged in this state must provide
 3063 bodily injury liability coverage and unless the policy also
 3064 ~~provides coverage for~~ property damage liability coverage as
 3065 required under by s. 324.022, and medical payments coverage as
 3066 required under s. 627.7265.
 3067 (2) (a) Insurers writing motor vehicle insurance in this
 3068 state shall make available, subject to the insurers' usual
 3069 underwriting restrictions:
 3070 1. Coverage under policies as described in subsection (1)
 3071 to an applicant for private passenger motor vehicle insurance
 3072 coverage who is seeking the coverage in order to reinstate the
 3073 applicant's driving privileges in this state if the driving
 3074 privileges were revoked or suspended pursuant to s. 316.646 or

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3075 s. 324.0221 due to the failure of the applicant to maintain
3076 required security.

3077 2. Coverage under policies as described in subsection (1),
3078 which includes bodily injury ~~also provides~~ liability coverage
3079 and property damage liability coverage for bodily injury, death,
3080 ~~and property damage arising out of the ownership, maintenance,~~
3081 ~~or use of the motor vehicle~~ in an amount not less than the
3082 minimum limits required under described in s. 324.021(7) or s.
3083 324.023 and which conforms to the requirements of s. 324.151, to
3084 an applicant for private passenger motor vehicle insurance
3085 coverage who is seeking the coverage in order to reinstate the
3086 applicant's driving privileges in this state after such
3087 privileges were revoked or suspended under s. 316.193 or s.
3088 322.26(2) for driving under the influence.

3089 (b) The policies described in paragraph (a) must ~~shall~~ be
3090 issued for at least 6 months and, as to the minimum coverages
3091 required under this section, may not be canceled by the insured
3092 for any reason or by the insurer after 60 days, during which
3093 period the insurer is completing the underwriting of the policy.
3094 After the insurer has completed underwriting the policy, the
3095 insurer shall notify the Department of Highway Safety and Motor
3096 Vehicles that the policy is in full force and effect and is not
3097 cancelable for the remainder of the policy period. A premium
3098 must ~~shall~~ be collected and the coverage is in effect for the
3099 60-day period during which the insurer is completing the
3100 underwriting of the policy, whether or not the person's driver
3101 license, motor vehicle tag, and motor vehicle registration are
3102 in effect. Once the noncancelable provisions of the policy
3103 become effective, the bodily injury liability and property

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3104 damage liability coverages ~~for bodily injury, property damage,~~
3105 ~~and personal injury protection~~ may not be reduced below the
3106 minimum limits required under s. 324.021 or s. 324.023 during
3107 the policy period, and the medical payments coverage may not be
3108 reduced below the minimum limit required under s. 627.7265.

3109 Section 42. Paragraph (a) of subsection (1) of section
3110 627.728, Florida Statutes, is amended to read:

3111 627.728 Cancellations; nonrenewals.—

3112 (1) As used in this section, the term:

3113 (a) "Policy" means the bodily injury and property damage
3114 liability, ~~personal injury protection~~, medical payments,
3115 comprehensive, collision, and uninsured motorist coverage
3116 portions of a policy of motor vehicle insurance delivered or
3117 issued for delivery in this state:

3118 1. Insuring a natural person as named insured or one or
3119 more related individuals who are residents ~~resident~~ of the same
3120 household; and

3121 2. Insuring only a motor vehicle of the private passenger
3122 type or station wagon type which is not used as a public or
3123 livery conveyance for passengers or rented to others; or
3124 insuring any other four-wheel motor vehicle having a load
3125 capacity of 1,500 pounds or less which is not used in the
3126 occupation, profession, or business of the insured other than
3127 farming; other than any policy issued under an automobile
3128 insurance assigned risk plan or covering garage, automobile
3129 sales agency, repair shop, service station, or public parking
3130 place operation hazards.

3131

3132 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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 3249 associations, or corporations ~~which are~~ organized and operated
 3250 solely for the purpose of conducting, sponsoring, or sanctioning
 3251 motor vehicle races, exhibitions, or contests upon racetracks,
 3252 or upon racecourses established and marked as such for the
 3253 duration of such particular events. The ~~term words~~ "motor
 3254 vehicle" used herein has ~~have~~ the same meaning as defined in
 3255 chapter 320.

3256 (2) An accidental death and dismemberment policy sold in
 3257 combination with a policy providing only medical payments
 3258 coverage, bodily injury liability coverage, personal injury
 3259 protection and property damage liability coverage only policy.

3260 (3) Any product not regulated under ~~the provisions of this~~
 3261 insurance code.

3262
 3263 This section also applies to premium financing by any insurance
 3264 agent or insurance company under part XVI. The commission shall
 3265 adopt rules to assure disclosure, at the time of sale, of
 3266 coverages financed ~~with personal injury protection~~ and shall
 3267 prescribe the form of such disclosure.

3268 Section 46. Subsection (1) of section 627.915, Florida
 3269 Statutes, is amended to read:

3270 627.915 Insurer experience reporting.—

3271 (1) Each insurer transacting private passenger automobile
 3272 insurance in this state shall report certain information
 3273 annually to the office. The information will be due on or before
 3274 July 1 of each year. The information must ~~shall~~ be divided into
 3275 the following categories: bodily injury liability; property
 3276 damage liability; uninsured motorist; ~~personal injury protection~~
 3277 ~~benefits~~; medical payments; and comprehensive and collision. The

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 3278 information given must ~~shall~~ be on direct insurance writings in
 3279 the state alone and ~~shall~~ represent total limits data. The
 3280 information set forth in paragraphs (a)-(f) is applicable to
 3281 voluntary private passenger and Joint Underwriting Association
 3282 private passenger writings and must ~~shall~~ be reported for each
 3283 of the latest 3 calendar-accident years, with an evaluation date
 3284 of March 31 of the current year. The information set forth in
 3285 paragraphs (g)-(j) is applicable to voluntary private passenger
 3286 writings and must ~~shall~~ be reported on a calendar-accident year
 3287 basis ultimately seven times at seven different stages of
 3288 development.
 3289 (a) Premiums earned for the latest 3 calendar-accident
 3290 years.
 3291 (b) Loss development factors and the historic development
 3292 of those factors.
 3293 (c) Policyholder dividends incurred.
 3294 (d) Expenses for other acquisition and general expense.
 3295 (e) Expenses for agents' commissions and taxes, licenses,
 3296 and fees.
 3297 (f) Profit and contingency factors as utilized in the
 3298 insurer's automobile rate filings for the applicable years.
 3299 (g) Losses paid.
 3300 (h) Losses unpaid.
 3301 (i) Loss adjustment expenses paid.
 3302 (j) Loss adjustment expenses unpaid.

3303 Section 47. Subsections (2) and (3) of section 628.909,
 3304 Florida Statutes, are amended to read:

3305 628.909 Applicability of other laws.—

3306 (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:
 3397
 3398 CLAIM OF LIEN
 3399 State of
 3400 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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3423 valid lien.

3424 (d) The claim of lien must ~~shall~~ be served on the owner of
 3425 the motor vehicle, the insurance company insuring the motor
 3426 vehicle, ~~notwithstanding the provisions of s. 627.736~~, and all
 3427 persons of record claiming a lien against the motor vehicle. If
 3428 attempts to notify the owner, the insurance company insuring the
 3429 motor vehicle ~~notwithstanding the provisions of s. 627.736~~, or
 3430 lienholders are not successful, the requirement of notice by
 3431 mail shall be considered met. The claim of lien must ~~shall~~ be so
 3432 served before recordation.

3433 (e) The claim of lien must ~~shall~~ be recorded with the clerk
 3434 of court in the county where the airport is located. The
 3435 recording of the claim of lien shall be constructive notice to
 3436 all persons of the contents and effect of such claim. The lien
 3437 attaches ~~shall attach~~ at the time of recordation and takes ~~shall~~
 3438 ~~take~~ priority as of that time.

3439 Section 49. Subsection (4) of section 713.78, Florida
 3440 Statutes, is amended to read:

3441 713.78 Liens for recovering, towing, or storing vehicles
 3442 and vessels.—

3443 (4) (a) Any person regularly engaged in the business of
 3444 recovering, towing, or storing vehicles or vessels who comes
 3445 into possession of a vehicle or vessel pursuant to subsection
 3446 (2), and who claims a lien for recovery, towing, or storage
 3447 services, shall give notice to the registered owner, the
 3448 insurance company insuring the vehicle ~~notwithstanding the~~
 3449 ~~provisions of s. 627.736~~, and to all persons claiming a lien
 3450 thereon, as disclosed by the records in the Department of
 3451 Highway Safety and Motor Vehicles or as disclosed by the records

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3452 of any corresponding agency in any other state in which the
 3453 vehicle is identified through a records check of the National
 3454 Motor Vehicle Title Information System or an equivalent
 3455 commercially available system as being titled or registered.

3456 (b) ~~If a whenever any~~ law enforcement agency authorizes the
 3457 removal of a vehicle or vessel or if a ~~whenever any~~ towing
 3458 service, garage, repair shop, or automotive service, storage, or
 3459 parking place notifies the law enforcement agency of possession
 3460 of a vehicle or vessel pursuant to s. 715.07(2)(a)2., the law
 3461 enforcement agency of the jurisdiction where the vehicle or
 3462 vessel is stored shall contact the Department of Highway Safety
 3463 and Motor Vehicles, or the appropriate agency of the state of
 3464 registration, if known, within 24 hours through the medium of
 3465 electronic communications, giving the full description of the
 3466 vehicle or vessel. Upon receipt of the full description of the
 3467 vehicle or vessel, the department shall search its files to
 3468 determine the owner's name, the insurance company insuring the
 3469 vehicle or vessel, and whether any person has filed a lien upon
 3470 the vehicle or vessel as provided in s. 319.27(2) and (3) and
 3471 notify the applicable law enforcement agency within 72 hours.
 3472 The person in charge of the towing service, garage, repair shop,
 3473 or automotive service, storage, or parking place shall obtain
 3474 such information from the applicable law enforcement agency
 3475 within 5 days after the date of storage and shall give notice
 3476 pursuant to paragraph (a). The department may release the
 3477 insurance company information to the requestor ~~notwithstanding~~
 3478 ~~the provisions of s. 627.736~~.

3479 (c) Notice by certified mail must ~~shall~~ be sent within 7
 3480 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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3539 permanently affixed to the outboard side of the transom or, if
3540 there is no transom, to the outmost seaboard side at the end of
3541 the hull that bears the rudder or other steering mechanism.

3542 Section 50. Paragraph (a) of subsection (1), paragraph (c)
3543 of subsection (7), paragraphs (a), (b), and (c) of subsection
3544 (8), and subsections (9) and (10) of section 817.234, Florida
3545 Statutes, are amended to read:

3546 817.234 False and fraudulent insurance claims.—

3547 (1) (a) A person commits insurance fraud punishable as
3548 provided in subsection (11) if that person, with the intent to
3549 injure, defraud, or deceive any insurer:

3550 1. Presents or causes to be presented any written or oral
3551 statement as part of, or in support of, a claim for payment or
3552 other benefit pursuant to an insurance policy or a health
3553 maintenance organization subscriber or provider contract,
3554 knowing that such statement contains ~~any~~ false, incomplete, or
3555 misleading information concerning any fact or thing material to
3556 such claim;

3557 2. Prepares or makes any written or oral statement that is
3558 intended to be presented to an ~~any~~ insurer in connection with,
3559 or in support of, any claim for payment or other benefit
3560 pursuant to an insurance policy or a health maintenance
3561 organization subscriber or provider contract, knowing that such
3562 statement contains ~~any~~ false, incomplete, or misleading
3563 information concerning any fact or thing material to such claim;

3564 3.a. Knowingly presents, causes to be presented, or
3565 prepares or makes with knowledge or belief that it will be
3566 presented to an ~~any~~ insurer, purported insurer, servicing
3567 corporation, insurance broker, or insurance agent, or any

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3568 employee or agent thereof, ~~any~~ false, incomplete, or misleading
3569 information or a written or oral statement as part of, or in
3570 support of, an application for the issuance of, or the rating
3571 of, any insurance policy, or a health maintenance organization
3572 subscriber or provider contract; or

3573 b. Knowingly conceals information concerning any fact
3574 material to such application; or

3575 4. Knowingly presents, causes to be presented, or prepares
3576 or makes with knowledge or belief that it will be presented to
3577 any insurer a claim for payment or other benefit under medical
3578 payments coverage in a motor vehicle ~~a personal injury~~
3579 ~~protection~~ insurance policy if the person knows that the payee
3580 knowingly submitted a false, misleading, or fraudulent
3581 application or other document when applying for licensure as a
3582 health care clinic, seeking an exemption from licensure as a
3583 health care clinic, or demonstrating compliance with part X of
3584 chapter 400.

3585 (7)

3586 (c) An insurer, or any person acting at the direction of or
3587 on behalf of an insurer, may not change an opinion in a mental
3588 or physical report prepared under s. 627.7265(9) ~~s. 627.736(7)~~
3589 or direct the physician preparing the report to change such
3590 opinion; however, this provision does not preclude the insurer
3591 from calling to the attention of the physician errors of fact in
3592 the report based upon information in the claim file. Any person
3593 who violates this paragraph commits a felony of the third
3594 degree, punishable as provided in s. 775.082, s. 775.083, or s.
3595 775.084.

3596 (8) (a) It is unlawful for any person intending to defraud

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

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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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3655 required by s. 324.021(7), Florida Statutes.

3656 (2) Effective January 1, 2019:

3657 (a) Motor vehicle insurance policies issued or renewed on
 3658 or after that date may not include personal injury protection.

3659 (b) All persons subject to s. 324.022, s. 324.032, s.
 3660 627.7415, or s. 627.742, Florida Statutes, must maintain at
 3661 least minimum security requirements.

3662 (c) Any new or renewal motor vehicle insurance policy
 3663 delivered or issued for delivery in this state must provide
 3664 coverage that complies with minimum security requirements.

3665 (d) Any new or renewal motor vehicle insurance policy
 3666 furnished to an owner or operator of a motor vehicle as proof of
 3667 financial responsibility pursuant to s. 324.022 or s. 324.031,
 3668 Florida Statutes, must provide medical payments coverage that
 3669 complies with s. 627.7265, Florida Statutes.

3670 (e) An existing motor vehicle insurance policy issued
 3671 before that date which provides personal injury protection and
 3672 property damage liability coverage that meets the requirements
 3673 of s. 324.022, Florida Statutes, on December 31, 2018, but which
 3674 does not meet minimum security requirements on or after January
 3675 1, 2019, is deemed to meet the security requirements of s.
 3676 324.022, Florida Statutes, and the medical payments coverage
 3677 requirements of s. 627.7265, Florida Statutes, until such policy
 3678 is renewed, nonrenewed, or canceled on or after January 1, 2019.

3679 (3) Each insurer shall allow each insured who has a new or
 3680 renewal policy providing personal injury protection, which
 3681 becomes effective before January 1, 2019, and whose policy does
 3682 not meet minimum security requirements on or after January 1,
 3683 2019, to change coverages so as to eliminate personal injury

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3684 protection and obtain coverage providing minimum security
 3685 requirements, which shall be effective on or after January 1,
 3686 2019. The insurer is not required to provide coverage complying
 3687 with minimum security requirements in such policies if the
 3688 insured does not pay the required premium, if any, by January 1,
 3689 2019, or such later date as the insurer may allow. Any reduction
 3690 in the premium must be refunded by the insurer. The insurer may
 3691 not impose on the insured an additional fee or charge that
 3692 applies solely to a change in coverage; however, the insurer may
 3693 charge an additional required premium that is actuarially
 3694 indicated.

3695 (4) By September 1, 2018, each motor vehicle insurer shall
 3696 provide notice of this section to each motor vehicle
 3697 policyholder who is subject to this section. The notice is
 3698 subject to approval by the Office of Insurance Regulation and
 3699 must clearly inform the policyholder that:

3700 (a) The Florida Motor Vehicle No-Fault Law is repealed,
 3701 effective January 1, 2019, and that on or after that date, the
 3702 insured is no longer required to maintain personal injury
 3703 protection insurance coverage, that personal injury protection
 3704 coverage is no longer available for purchase in this state, and
 3705 that all new or renewal policies issued on or after that date do
 3706 not contain such coverage.

3707 (b) Effective January 1, 2019, a person subject to the
 3708 financial responsibility requirements of s. 324.022, Florida
 3709 Statutes, must maintain minimum security requirements that
 3710 enable the person to respond in damages for liability on account
 3711 of accidents arising out of the ownership, maintenance, or use
 3712 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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3771 effective before January 1, 2019, but does not meet minimum
3772 security requirements on or after January 1, 2019, may change
3773 coverages under the policy so as to eliminate personal injury
3774 protection and to obtain coverage providing minimum security
3775 requirements, including bodily injury liability coverage, which
3776 are effective on or after January 1, 2019.

3777 (i) If the policyholder has any questions, he or she should
3778 contact the person named at the telephone number provided in the
3779 notice.

3780 (5) This section takes effect upon this act becoming a law.

3781 Section 52. Application of suspensions for failure to
3782 maintain security; reinstatement.-All suspensions for failure to
3783 maintain required security as required by law in effect before
3784 January 1, 2019, remain in full force and effect after January
3785 1, 2019. A driver may reinstate a suspended driver license or
3786 registration as provided under s. 324.0221, Florida Statutes.

3787 Section 53. Except as otherwise expressly provided in this
3788 act and except for this section, which shall take effect upon
3789 this act becoming a law, this act shall take effect January 1,
3790 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

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/10/2018
Meeting Date

SB 50

Bill Number (if applicable)

Topic _____

Amendment Barcode (if applicable)

Name Mark Delegal

Job Title _____

Address _____

Phone _____

Street

City

State

Zip

Email _____

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing State Farm Mutual Automobile Ins

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.

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/10/18
Meeting Date

S B 150
Bill Number (if applicable)

Topic Auto Insurance

Amendment Barcode (if applicable)

Name Wale Swope

Job Title _____

Address 1234 5th Ave
Street

Phone _____

Tampa Fl.
City State Zip

Email _____

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Justice Ass'n

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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APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/10/17

Meeting Date

150

Bill Number (if applicable)

Topic MV Insurance

Amendment Barcode (if applicable)

Name BRAD NAIL

Job Title SR. RISK & PUBLIC POLICY MGR.

Address 1717 Rhode Island Ave NW

Phone (617-686-5071)

Street

Washington

DC

22201

Email nail@uber.com

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing UBER

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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APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1-10-18

Meeting Date

150

Bill Number (if applicable)

Topic No-Fault Repeal - SB 150

Amendment Barcode (if applicable)

Name Bouncy Gordon

Job Title SR. Counsel

Address GEICO 1 GEICO Plaza

Phone 301-986-2653

Street

Washington, DC

City

State

Zip

Email bgordon@geico.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Government Employees Ins. Company

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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THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

Jan. 10, 2018

Meeting Date

SB 150

Bill Number (if applicable)

Topic How PIP system has hurt me.

Amendment Barcode (if applicable)

Name Christine Rodriguez

Job Title Mortgage Loan Officer

Address 11425 Crescent Pines Blvd

Phone 352-874-5002

Street

Clermont

FL

34711

Email crodriguez@christinerodriguez.com

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Myself

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)

1-10-2018

Meeting Date

150

Bill Number (if applicable)

Topic Motor Vehicle Insurance

Amendment Barcode (if applicable)

Name Samantha Sexton

Job Title VP of Legislative and Regulatory Affairs

Address 201 South Monroe Street, Suite 835

Phone 321-544-1577

Street

Tallahassee

FL

32301

Email samantha.sexton@piff.net

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Personal Insurance Federation of Florida

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)

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/10/18

Meeting Date

150

Bill Number (if applicable)

Topic PIP appeal

Amendment Barcode (if applicable)

Name Ron Watson

Job Title Lobbyist

Address 3738 Murdon Way

Phone 850 567-1202

Street

Tallahassee

FL

32309

City

State

Zip

Email watson.strategies@comcast.net

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Chiropractic Physician 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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THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

01.10.18

150

Meeting Date

Bill Number (if applicable)

Topic PIP

Amendment Barcode (if applicable)

Name Rick Parker

Job Title _____

Address 3600 Maclay Blvd. Ste. 101

Phone 850-894-4111

Street

Tallahassee

FL

32312

Email jparker@butler.legal

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Justice Reform Institute

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)

1-10-18

Meeting Date

SB 150

Bill Number (if applicable)

Topic PIP repeal

Amendment Barcode (if applicable)

Name Gary Guzzo

Job Title

Address 108 S. Monroe St.

Phone

Street

Tallahassee Fla

32301

City

State

Zip

Email

Speaking: For Against Information

Waive Speaking: In Support Against (The Chair will read this information into the record.)

Representing Institute for Legal Reform

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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APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/10/18

Meeting Date

150

Bill Number (if applicable)

Topic Motor Vehicle Ins.

Amendment Barcode (if applicable)

Name Mary Thomas

Job Title Assistant General Counsel

Address 1430 Piedmont Dr E

Phone 850 224 6496

Street

TLH FL 32308

City

State

Zip

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

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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APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/9/18

Meeting Date

150

Bill Number (if applicable)

Topic PIP Repeal

Amendment Barcode (if applicable)

Name Robert Reyes

Job Title _____

Address ~~4~~ 817 Ingheside Ave

Phone 850 5091

TALL FL 32303

Email RReyes@capitolgrp.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Allstate Insurance Co

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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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/10/17

Meeting Date

SB. 150

Bill Number (if applicable)

296324

Amendment Barcode (if applicable)

Topic Auto Insurance

Name Dale Swope

Job Title

Address 1234

Street

Phone 813 2730017

City

Tampa

FL

State

Zip

Email dswopes@swopes.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Justice 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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THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/10/18

Meeting Date

150

Bill Number (if applicable)

596228

Amendment Barcode (if applicable)

(*) Garcia amendmt

Topic PIP repeal

Name Ron Watson

Job Title Lobbyist

Address 3738 Mordon Way

Street

Tallahassee

City

FL

State

32309

Zip

Phone 850 567-1202

Email Watson.Strategies@concent.net

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Chiropractic Physician 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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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/10/18 Meeting Date

Topic Motor Veh. Ins.

Bill Number (if applicable) 596228 Amendment Barcode (if applicable) (Garcia)

Name Kim Triggers

Job Title Lawyer

Address 3770 Piney Grove Dr Ttt, FL 32311

Phone 850.597.1355

Email ktriggers@triggers.com

Speaking: [X] For [] Against [] Information

Waive Speaking: [X] In Support [] Against (The Chair will read this information into the record.)

Representing Florida Chiropractic Assn

Appearing at request of Chair: [] Yes [X] No

Lobbyist registered with Legislature: [X] 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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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/10/18 Meeting Date

150 Bill Number (if applicable)

543534 Amendment Barcode (if applicable)

Topic Auto Ins. BI/PIP

Name Doug Bell

Job Title

Address 119 S Monroe Street

Phone 205-9000

ILH City State Zip

Email doug.bell@MHD FIRM.com

Speaking: For Against Information

Waive Speaking: In Support Against (The Chair will read this information into the record.)

Representing Progressive Ins

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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APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/10/18
Meeting Date

150
Bill Number (if applicable)

Topic Auto Ins BI/PIP

543534 + 762724
Amendment Barcode (if applicable)

Name Doug Bell

Job Title _____

Address 119 S. Monroe St
Street

Phone 205-9000

TLH FL
City State Zip

Email doug.bell@windfirer.com

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Avis Budget Group

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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APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/10/2018
Meeting Date

SB150

Bill Number (if applicable)

543534

Amendment Barcode (if applicable)

Topic PIP -> B.I + MAC

Name Mark Delegal

Job Title Retained Counsel

Address 315 S. Calhoun Street #600

Phone 224 7000

Tallahassee 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 State Farm Mutual Automobile Ins. Co.

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.

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/10/18
Meeting Date

Bill Number (if applicable)

543534

Amendment Barcode (if applicable)

(Lee)

Topic Motor Vehicle Ins

Name Kim Driggers

Job Title Lawyer

Address 3770 Piney Grove Dr

Street

Phone 850-599-1355

City

Tallahassee, FL 32311

State

Zip

Email kdriggers@driggers.com

Speaking: For Against Information

Waive Speaking: In Support Against

(The Chair will read this information into the record.)

Representing Florida Chiropractic Assn

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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THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/10/2018
Meeting Date

SBKO
Bill Number (if applicable)

296334
Amendment Barcode (if applicable)

Topic

Name Mark Delegal

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 State Farm Mutual

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.

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/10/15
Meeting Date

SB 150
Bill Number (if applicable)

Topic Motor Veh. Ins

Amendment Barcode (if applicable)

Name Kim Duggers

Job Title Lawyer

Address 3770 Piney Grove Dr

Phone

Street

Tutt, FL 32311

City

State

Zip

Email

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Chemo. Assoc.

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.

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/10/18

Meeting Date

150

Bill Number (if applicable)

Topic PIP - Emergency med pay

Amendment Barcode (if applicable)

Name Toni Large

Job Title

Address 519 E. Park Ave

Phone (850) 556-1461

Street

Tallahassee, FL 32308

City

State

Zip

Email toni@sulaw.net

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing FI College of Emergency Physicians & FI Orthopedic Society

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.

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/10/18
Meeting Date

150
Bill Number (if applicable)

Topic Motor Vehicle Ins

Amendment Barcode (if applicable)

Name Logan McFadden

Job Title Regional Director

Address 215 S. Monroe St
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 Property Casualty Assoc. of America

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.

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

10 JAN 2018

Meeting Date

150

Bill Number (if applicable)

Topic AUTO INSURANCE

Amendment Barcode (if applicable)

Name JIM MAGAZINE

Job Title

Address

Street

Phone

City

State

Zip

Email

Speaking: [] For [] Against [X] Information

Waive Speaking: [] In Support [] Against (The Chair will read this information into the record.)

Representing SELF

Appearing at request of Chair: [] Yes [X] No

Lobbyist registered with Legislature: [] Yes [X] 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.

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	Pre-meeting
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, the number of auto glass lawsuits has increased in recent years: (PROVIDE CITATION)

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).

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.⁵ The statute does not allow an insurer that prevails in a case involving an insured or assignee to recover attorney fees.⁶ 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.”⁷

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.⁸ Insurers also believe that many windshield claims brought by assignees are fraudulent.⁹ 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.¹⁰

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.¹¹

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.¹²

The effective date is July 1, 2018.

⁵ 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).

⁶ 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.

⁷ *Roberts v. Carter*, 350 So.2d 78, 79 (Fla. 1977).

⁸ 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).

⁹ *Government Employees Insurance Co. v. Clear Vision Windshield Repair, L.L.C.*, 2017 WL 1196438 (M.D. Florida March 29, 2017).

¹⁰ Florida Justice Reform Institute, White Paper: *Restoring Balance in Insurance Litigation* (2015)(on file with the Senate Committee on Banking and Insurance).

¹¹ *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).

¹² 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.¹³

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.

¹³ 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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. .
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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:

1 **Senate Amendment to Amendment (144400) (with title**
2 **amendment)**

3
4 Delete lines 9 - 11

5 and insert:

6 notice of the claim, or the right to an inspection is waived.
7 However, an insurer may not require an inspection in any case
8 where windshield damage has demonstrably impacted the structural
9 integrity of the vehicle or where continued use of the vehicle
10 would be a violation of s. 316.610.



408714

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===== T I T L E A M E N D M E N T =====

And the title is amended as follows:

Delete lines 19 - 20

and insert:

adjusters and within a specified timeframe, or the
right to an inspection is waived; prohibiting insurers
from requiring inspections under certain
circumstances; providing an

By Senator Hukill

14-00443-18

2018396__

1 A bill to be entitled

2 An act relating to motor vehicle insurance coverage
3 for windshield glass; amending s. 627.7288, F.S.;
4 authorizing a motor vehicle insurance policy providing
5 comprehensive or combined additional coverage to
6 require an inspection of the damaged windshield of a
7 covered motor vehicle before the windshield repair or
8 replacement is authorized by the insurer; providing an
9 effective date.

10
11 Be It Enacted by the Legislature of the State of Florida:

12
13 Section 1. Section 627.7288, Florida Statutes, is amended
14 to read:

15 627.7288 Comprehensive coverage; ~~deductible not to apply to~~
16 motor vehicle windshield glass.-

17 (1) The deductible provisions of any policy of motor
18 vehicle insurance, delivered or issued in this state by an
19 authorized insurer, providing comprehensive coverage or combined
20 additional coverage are ~~shall~~ not be applicable to damage to the
21 windshield of any motor vehicle covered under such policy.

22 (2) A policy under this section may require an inspection
23 of the damaged windshield of a covered motor vehicle before the
24 windshield repair or replacement is authorized by the insurer.

25 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

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 416

INTRODUCER: Senator Thurston

SUBJECT: Governance of Banks and Trust Companies

DATE: January 9, 2018

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Johnson	Knudson	BI	Pre-meeting
2.	_____	_____	CM	_____
3.	_____	_____	RC	_____

I. Summary:

SB 416 amends the Financial Institution Codes to expand the pool of eligible individuals who may qualify to serve as a director, president, or chief executive officer of a new or existing bank or trust company that is subject to regulation by the Office of Financial Regulation (OFR). Further, the bill revises the corporate investment limitations. The OFR licenses, and regulates various entities that engage in financial services in Florida, including state-chartered banks and trust companies.

For existing and new state-chartered banks and trust companies, the bill extends the lookback period from 3 to 5 years for certain officers and directors to have met the minimum 1 year of direct financial institution experience. Under current law, at least two of the proposed directors, who are not also proposed officers, must have had at least 1 year of direct financial institution experience within 3 years prior to the submission of a bank or trust company application to the OFR. Likewise, for existing state-chartered banks or trust companies, the president, chief executive officer, or any other person with an equivalent rank, must have had at least 1 year of direct experience within the last 3 years.

The bill requires that at least a majority, rather than three-fifths, of the directors of a state-chartered bank or trust company must have resided in this state for at least 1 year preceding their election and must continue their residency in Florida for the duration of their time in office. This change will align the residency requirement for Florida state-chartered banks with the residency requirement for national banks.

The bill has no fiscal impact on the Office of Financial Regulation.

II. Present Situation:

Regulation of State-Chartered Financial Institutions in Florida

The Office of Financial Regulation (OFR) regulates state-chartered depository and non-depository financial institutions and financial service companies. One of the OFR's primary goals is to provide for and promote the safety and soundness of financial institutions while preserving the integrity of Florida's markets and financial service industries.¹ Florida law provides the OFR with regulatory authority over entities regulated under the Financial Institutions Codes (codes). The codes include:

- Ch. 655, F.S., relating to financial institutions generally;
- Ch. 657, F.S., relating to credit unions;
- Ch. 658, F.S., relating to banks and trust companies;
- Ch. 660, F.S., relating to trust business;
- Ch. 663, F.S., relating to international banking;
- Ch. 665, F.S., relating to associations; and
- Ch. 667, F.S., relating to savings banks.²

Qualifications of Officers and Directors

New or De Novo State-Chartered Bank or Trust Company. Section 658.19, F.S., prescribes the requirements to organize a state-chartered bank or trust company, which includes the submission of financial, business, and biographical information the Financial Services Commission or the OFR may reasonably require for each proposed director, executive officer, and, if applicable, each trust officer. The OFR must approve the application if it finds the proposed bank or trust company meets certain criteria including the qualifications of the proposed officers and directors.³

Section 658.21, F.S., requires that proposed officers and directors meet certain requirements in regards to their background and experience. Proposed officers must have sufficient financial experience, ability, standing, and reputation and the proposed directors have sufficient business experience, ability, standing and reputation to indicate reasonable promise of successful operation. Further, as a condition, none of the proposed officers and directors may not have been convicted of, or pled guilty or nolo contendere to, any violation of s. 655.50, F.S., relating to the control of money laundering and terrorist financing; and ch. 896, F.S., relating to offenses against financial institutions.

At least two of the proposed directors who are not also proposed officers must have had at least 1 year of direct experience as an executive officer, regulator, or director of a financial institution within the 3 years before the application date. However, if the applicant demonstrates that at least one of the proposed directors has very substantial experience as an executive officer, director, or regulator of a financial institution more than 3 years before the date of the application, the office may modify the requirement and allow only one director to have direct financial institution experience within the last 3 years. The proposed president or chief executive

¹ Section 655.001, F.S.

² Section 655.005(1)(k), F.S.

³ Section 658.21, F.S.

officer must have had at least 1 year of direct experience as an executive officer, director, or regulator of a financial institution within the last 3 years.⁴

Existing State-Chartered Bank or Trust Company. A state-chartered bank or trust company must have at least five directors and at least a majority of the directors must be citizens of the United States.⁵ At least three-fifths of the directors must have resided in this state for at least 1 year preceding their election and must continue their residency in Florida for the duration of their time in office.⁶

A state-chartered bank or trust company with total assets of less than \$150 million must have at least one director who is not also an officer of the bank or trust company with at least 1 year of direct experience as an executive officer, regulator, or director of a financial institution within the preceding 3 years.⁷ For a bank or trust company with total assets of more than \$150 million, at least two directors, who are not also officers of the bank or trust company, must have at least 1 year of direct experience as an executive officer, regulator, or director of a financial institution within the last 3 years. The president, chief executive officer, or other person who has equivalent rank or leads the overall operations of a bank or trust company must have at least 1 year of direct experience as an executive officer, director, or regulator of a financial institution within the last 3 years.⁸

The Office of the Comptroller of Currency (Comptroller) has different requirements relating to the directors or officers of a nationally chartered bank or trust company. Every director must be a citizen of the United States. At least a majority of the directors must have resided in the state, territory, or district in which the association is located, or within 100 miles of the location of the office of the association, for at least 1 year immediately preceding their election, and must be residents of such state or within 100-mile territory of the location of the association during their continuance in office. However, the Comptroller has the discretion to waive the requirement of residency, and waive the requirement of citizenship in the case of not more than a minority of the total number of directors.⁹

Permissible Investments

A bank may invest its funds, and a trust company may invest its corporate funds, subject to the limitations of s. 658.67, F.S. Up to 25 percent of the capital accounts of the purchasing bank may be invested in corporate obligations of any one corporation that is not an affiliate or subsidiary of the bank. Further, the codes currently permit up to an aggregate of 10 percent of all the total assets of a bank to be invested in the stock, obligations, or other securities of subsidiary corporations or other corporations or entities. These investment requirements are subject to two exceptions: 1) such investments may not exceed any limitation or prohibition of federal law; and 2) during the first 3 years of existence of a bank, such investments are limited to 5 percent of the total assets.¹⁰ The Financial Services Commission by rule, or the OFR by order, may further limit

⁴ Section 658.21(4), F.S.

⁵ Section 658.33, F.S.

⁶ Section 658.33(2), F.S.

⁷ *Id.*

⁸ Section 658.33(5), F.S.

⁹ See 12 U.S.C. s. 72 and 12 C.F.R. s. 5.20.

¹⁰ Section 658.67(6), F.S.

any type of investment made pursuant to this subsection if it finds that such investment would constitute an unsafe or unsound practice.¹¹ In making this determination, the OFR must consider the size and condition of the financial institution, the gravity of the violation, and the prior conduct of the person or institution involved.¹²

III. Effect of Proposed Changes:

Section 1 amends s. 658.21, F.S., to require that a proposed president or chief executive officer must have at least 1 year of direct experience as an executive officer, regulator, or director of a financial institution within 5 years, rather than 3 years, of the application date for a state chartered bank or trust company.

Further, the bill provides that at least two of the proposed directors who are not also proposed officers must have at least 1 year of direct financial institution experience within the 5 years, rather than 3 years, prior to the application. However, the OFR may require only one director to have such experience if at least one of the proposed directors has very substantial experience as an executive officer, director, or regulator of a financial institution within the last 5 years rather than the last 3 years.

Section 2 amends s. 658.33, F.S., to increase the lookback period within which a president or chief executive officer and a certain number of directors must have 1 year of relevant financial institution experience in order to serve at an existing state-chartered bank or trust company. The bill expands the period to satisfy the required experience from 3 years to 5 years, as follows:

- The president or chief executive officer, or other person who has equivalent rank or leads the overall operations of a bank or trust company must have at least 1 year of direct experience as an executive officer, director, or regulator of a financial institution within the last 5 years.
- For a bank or trust company with total assets of less than \$150 million, at least one director who is not also an officer of the bank or trust company must have at least 1 year of direct experience as an executive officer, regulator, or director of a financial institution within the last 5 years.
- For a bank or trust company with total assets of more than \$150 million, at least two directors who are not also officers of the bank or trust company must have at least 1 year of direct experience as an executive officer, regulator, or director of a financial institution within the last 5 years.

The bill also requires that at least a majority, rather than three-fifths, of the directors must have resided in Florida for at least 1 year preceding their election and must continue their residency in Florida for the duration of their time in office. This change will align the residency requirement for Florida state-chartered banks with the residency requirement of national banks.

Section 3 amends section 658.67, F.S. to revise the limitations of certain investments by prohibiting bank ownership of stock, obligations, or other securities issued by a single

¹¹ See s. 655.005(1), F.S. An unsafe or unsound practice is any practice or conduct found by the OFR to be contrary to generally accepted standards applicable to a financial institution, or a violation of any prior agreement in writing or order of a state or federal regulatory agency, which practice, conduct, or violation creates the likelihood of loss, insolvency, or dissipation of assets or otherwise prejudices the interest of the financial institution or its depositors or members.

¹² *Id.*

corporation or entity that have an aggregate par value greater than 10 percent of the total assets of such bank. Two exceptions relating to permissible investments are provided, namely, except as limited or prohibited by federal law, and during the first 3 years of existence of a bank, such investments are limited to 5 percent of total assets.

Section 4 provides the act will take 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:

The bill would expand the pool of eligible individuals who may qualify to serve as an officer or director of a proposed or existing state chartered bank or trust company.

C. Government Sector Impact:

The bill has no fiscal impact on the Office of Financial Regulation.¹³

VI. Technical Deficiencies:

None.

VII. Related Issues:

Section 3 of the bill would permit a bank to own stocks, obligations, or other securities, but only during the first 3 years of its existence, and only up to 5 percent of its total assets to investments, which may create unintended consequences.¹⁴ Currently, newer banks may only invest up to 5 percent, whereas older banks may invest up to 10 percent of total assets, presumably based on the reasonable assumption that an established institution is better equipped to take on the

¹³ Office of Financial Regulation, *2018 Analysis of SB 416* (Oct. 17, 2017). On file with Banking and Insurance Committee.

¹⁴ *Id.*

additional risk inherent in investments. The move to a limitation on each such investment issued by each individual corporation or entity is a significant departure from the current limitation on the aggregate of all such investments. This change eliminates the total cap on such investments, which may lead to riskier investment behavior and unsafe and unsound practices; without a total cap a bank could invest 200 percent or more of its total assets, so long as they were diversified to the extent that such investments in each entity did not exceed 10 percent.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 658.21, 658.33, and 658.67.

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.



945032

LEGISLATIVE ACTION

Senate

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House

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

Senate Amendment (with title amendment)

Delete everything after the enacting clause and insert:

Section 1. Subsection (4) of section 658.21, Florida Statutes, is amended to read:

658.21 Approval of application; findings required.—The office shall approve the application if it finds that:

(4) The proposed officers have sufficient financial institution experience, ability, standing, and reputation and



945032

11 the proposed directors have sufficient business experience,
12 ability, standing, and reputation to indicate reasonable promise
13 of successful operation, and none of the proposed officers or
14 directors has been convicted of, or pled guilty or nolo
15 contendere to, any violation of s. 655.50, relating to the
16 control of money laundering and terrorist financing; chapter
17 896, relating to offenses related to financial institutions; or
18 similar state or federal law. At least two of the proposed
19 directors who are not also proposed officers must have had at
20 least 1 year of direct experience as an executive officer,
21 regulator, or director of a financial institution within the 5 ~~3~~
22 years before the date of the application. However, if the
23 applicant demonstrates that at least one of the proposed
24 directors has very substantial experience as an executive
25 officer, director, or regulator of a financial institution more
26 than 5 ~~3~~ years before the date of the application, the office
27 may modify the requirement and allow the applicant to have only
28 one director who has ~~to have~~ direct financial institution
29 experience within the last 5 ~~3~~ years. The proposed president or
30 chief executive officer must have had at least 1 year of direct
31 experience as an executive officer, director, or regulator of a
32 financial institution within the last 5 ~~3~~ years.

33 Section 2. Subsections (2) and (5) of section 658.33,
34 Florida Statutes, are amended to read:

35 658.33 Directors, number, qualifications; officers.-

36 (2) Not less than a majority of the directors must, during
37 their whole term of service, be citizens of the United States,
38 and at least a majority ~~three-fifths~~ of the directors must have
39 resided in this state for at least 1 year preceding their



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40 election and must be residents therein during their continuance
41 in office. In the case of a bank or trust company with total
42 assets of less than \$150 million, at least one, and in the case
43 of a bank or trust company with total assets of \$150 million or
44 more, two of the directors who are not also officers of the bank
45 or trust company must have had at least 1 year of direct
46 experience as an executive officer, regulator, or director of a
47 financial institution within the last 5 ~~3~~ years.

48 (5) The president, chief executive officer, or any other
49 person, regardless of title, who has equivalent rank or leads
50 the overall operations of a bank or trust company must have had
51 at least 1 year of direct experience as an executive officer,
52 director, or regulator of a financial institution within the
53 last 5 ~~3~~ years. This requirement may be waived by the office
54 after considering the overall experience and expertise of the
55 proposed officer and the condition of the bank or trust company,
56 as reflected in the most recent regulatory examination report
57 and other available data.

58 Section 3. Subsection (6) of section 658.67, Florida
59 Statutes, is amended to read:

60 658.67 Investment powers and limitations.—A bank may invest
61 its funds, and a trust company may invest its corporate funds,
62 subject to the following definitions, restrictions, and
63 limitations:

64 (6) INVESTMENTS IN CORPORATIONS AND OTHER ENTITIES.—Except
65 as limited or prohibited by federal law, ~~Up to an aggregate of~~
66 ~~10 percent of the total assets of a bank may invest~~ be invested
67 in the stock, obligations, and ~~or~~ other securities of subsidiary
68 corporations and affiliates. The aggregate of such investments



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69 may not exceed 10 percent of the total assets of the bank. ~~or~~
70 ~~other corporations or entities, except as limited or prohibited~~
71 ~~by federal law, and except that~~ During the first 3 years of
72 existence of a bank, such investments are limited to 5 percent
73 of the total assets of the bank. The commission by rule, or the
74 office by order, may further limit any type of investment made
75 pursuant to this subsection if it finds that such investment
76 would constitute an unsafe or unsound practice.

77 Section 4. This act shall take effect July 1, 2018.

78
79 ===== T I T L E A M E N D M E N T =====

80 And the title is amended as follows:

81 Delete everything before the enacting clause
82 and insert:

83 A bill to be entitled
84 An act relating to governance of banks and trust
85 companies; amending s. 658.21, F.S.; revising
86 requirements relating to the financial institution
87 experience of certain proposed directors and officers
88 of a proposed bank or trust company; amending s.
89 658.33, F.S.; revising the residency requirement for
90 certain directors of a bank or trust company; revising
91 requirements relating to the financial institution
92 experience of certain officers of a bank or trust
93 company; amending s. 658.67, F.S.; revising instances
94 during which a bank may not own certain stock,
95 obligations, and other securities; providing an
96 effective date.

By Senator Thurston

33-00614-18

2018416__

1 A bill to be entitled
 2 An act relating to governance of banks and trust
 3 companies; amending s. 658.21, F.S.; revising
 4 requirements relating to the financial institution
 5 experience of certain proposed directors and officers
 6 of a proposed bank or trust company; amending s.
 7 658.33, F.S.; revising applicability of the residency
 8 requirement for directors of a bank or trust company;
 9 revising requirements relating to the financial
 10 institution experience of certain officers of a bank
 11 or trust company; amending s. 658.67, F.S.; revising a
 12 limitation on investments by banks in corporations;
 13 providing an effective date.
 14
 15 Be It Enacted by the Legislature of the State of Florida:
 16
 17 Section 1. Subsection (4) of section 658.21, Florida
 18 Statutes, is amended to read:
 19 658.21 Approval of application; findings required.—The
 20 office shall approve the application if it finds that:
 21 (4) The proposed officers have sufficient financial
 22 institution experience, ability, standing, and reputation and
 23 the proposed directors have sufficient business experience,
 24 ability, standing, and reputation to indicate reasonable promise
 25 of successful operation, and none of the proposed officers or
 26 directors has been convicted of, or pled guilty or nolo
 27 contendere to, any violation of s. 655.50, relating to the
 28 control of money laundering and terrorist financing; chapter
 29 896, relating to offenses related to financial institutions; or

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33-00614-18

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30 similar state or federal law. At least two of the proposed
 31 directors who are not also proposed officers must have had at
 32 least 1 year direct experience as an executive officer,
 33 regulator, or director of a financial institution within the 5 ~~3~~
 34 years before the date of the application. However, if the
 35 applicant demonstrates that at least one of the proposed
 36 directors has very substantial experience as an executive
 37 officer, director, or regulator of a financial institution more
 38 than 5 ~~3~~ years before the date of the application, the office
 39 may modify the requirement and allow only one director to have
 40 direct financial institution experience within the last 5 ~~3~~
 41 years. The proposed president or chief executive officer must
 42 have had at least 1 year of direct experience as an executive
 43 officer, director, or regulator of a financial institution
 44 within the last 5 ~~3~~ years.
 45 Section 2. Subsections (2) and (5) of section 658.33,
 46 Florida Statutes, are amended to read:
 47 658.33 Directors, number, qualifications; officers.—
 48 (2) Not less than a majority of the directors must, during
 49 their whole term of service, be citizens of the United States,
 50 and at least a majority ~~three-fifths~~ of the directors must have
 51 resided in this state for at least 1 year preceding their
 52 election and must be residents therein during their continuance
 53 in office. In the case of a bank or trust company with total
 54 assets of less than \$150 million, at least one, and in the case
 55 of a bank or trust company with total assets of \$150 million or
 56 more, two of the directors who are not also officers of the bank
 57 or trust company must have had at least 1 year of direct
 58 experience as an executive officer, regulator, or director of a

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33-00614-18

2018416__

59 financial institution within the last 5 3 years.

60 (5) The president, chief executive officer, or any other
61 person, regardless of title, who has equivalent rank or leads
62 the overall operations of a bank or trust company must have had
63 at least 1 year of direct experience as an executive officer,
64 director, or regulator of a financial institution within the
65 last 5 3 years. This requirement may be waived by the office
66 after considering the overall experience and expertise of the
67 proposed officer and the condition of the bank or trust company,
68 as reflected in the most recent regulatory examination report
69 and other available data.

70 Section 3. Subsection (6) of section 658.67, Florida
71 Statutes, is amended to read:

72 658.67 Investment powers and limitations.—A bank may invest
73 its funds, and a trust company may invest its corporate funds,
74 subject to the following definitions, restrictions, and
75 limitations:

76 (6) INVESTMENTS IN CORPORATIONS.—~~Up to an aggregate of 10~~
77 ~~percent of the total assets of~~ A bank may not own ~~be invested in~~
78 ~~the~~ stock, obligations, or other securities issued by an
79 individual corporation or entity which have an aggregate par
80 value greater than 10 percent of the total assets of such bank
81 ~~of subsidiary corporations or other corporations or entities,~~
82 except as limited or prohibited by federal law, and except that
83 during the first 3 years of existence of a bank, such
84 investments are limited to 5 percent of the total assets. The
85 commission by rule, or the office by order, may further limit
86 any type of investment made pursuant to this subsection if it
87 finds that such investment would constitute an unsafe or unsound

Page 3 of 4

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88 practice.

89 Section 4. 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 and Insurance

Subject: Committee Agenda Request

Date: November 3, 2017

I respectfully request that **Senate Bill #416**, relating to Governance of Banks and Trust Companies, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

A handwritten signature in black ink, appearing to read "Perry E. Thurston, Jr.", written over a horizontal line.

Senator Perry E. Thurston, Jr.
Florida Senate, District 33



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

COMMITTEES:

Appropriations Subcommittee on Transportation,
Tourism, and Economic Development
Banking and Insurance
Education
Judiciary
Regulated Industries
Rules

JOINT COMMITTEE:

Joint Legislative Auditing Committee

SENATOR PERRY E. THURSTON, JR.

Democratic Caucus Rules Chair
33rd District

November 3, 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 416: Governance of Banks and Trust Companies has been referred to the Senate Banking and Insurance Committee. I am respectfully requesting that you place this bill on your committee's calendar for the next committee agenda.

Thank you for your consideration. Please contact me if you have any questions.

Respectfully,

A handwritten signature in cursive script that reads "Perry E. Thurston, Jr." with a stylized flourish at the end.

Perry E. Thurston, Jr.
Florida Senate, District 33

CC: Vice Chair Greg Steube

REPLY TO:

- 2151 NW 6th Street, Fort Lauderdale, Florida 33311 (954) 321-2705 FAX: (888) 284-6086
- 208 Senate Office Building, 404 South Monroe Street, Tallahassee, Florida 32399-1100 (850) 487-5033

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 518

INTRODUCER: Senator Bean

SUBJECT: Motor Vehicle Insurance Coverage Exclusions

DATE: January 9, 2017

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Matiyow</u>	<u>Knudson</u>	<u>BI</u>	<u>Pre-meeting</u>
2.	_____	_____	<u>CM</u>	_____
3.	_____	_____	<u>RC</u>	_____

I. Summary:

SB 518 authorizes private passenger motor vehicle policyholders to exclude named members of their household who are of driving age, from all coverages under their policy. Such exclusions do not apply when the excluded member is not operating a motor vehicle covered under the policy, or if the exclusion is unfairly discriminatory by law, as determined by the Office of Insurance Regulation (OIR), or if the exclusion is inconsistent with the underwriting guidelines filed by the insurer with OIR. The exclusion of an identified named driver is invalid unless the named policyholder consents in writing to the exclusion of a named driver and the excluded named drivers are listed on the policy's declarations page or policy endorsement.

II. Present Situation:

Part XI of ch. 627, F.S., Motor Vehicle and Casualty Insurance Contracts, and ch. 324, F.S., the Financial Responsibility Law of 1955, establish motor vehicle coverage requirements. Owners and operators of motor vehicles must maintain the ability to respond in damages at specified minimum amounts for personal injury protection, bodily injury or death, and property damage. Current laws require insurance coverage that provides personal injury protection, or that is used to meet mandatory financial responsibility requirements be issued to all driving age individuals residing in the same household. For example, personal injury protection insurance is required to cover persons operating the insured motor vehicle and relatives residing in the same household as the policyholder, (i.e. named insured).¹ A motor vehicle liability policy providing coverage for bodily injury, death, and property damage is required to provide coverage for individuals named on the policy and anyone operating a motor vehicle listed on the policy when the operator has the express or implied permission of the insured motor vehicle owner.² An insured motor vehicle that is operated without the express or implied consent of the insured vehicle's owner is an

¹ s. 627.736(1) and s. 627.7407(5)(a), F.S.

² s. 324.151(1)(a), F.S.

uninsured/underinsured motor vehicle for purposes of uninsured/underinsured motor vehicle coverage. Unless there are separate policies issued that provide coverage for each individual driver, neither the policyholder nor the insurer can exclude anyone residing in the same household. Insurers may cancel a motor vehicle insurance policy if the named insured or any operator who resides in the same household or customarily operates a motor vehicle insured under the policy has her or his driver license revoked or suspended.

There is no authority under the motor vehicle insurance laws for an insurer to exclude mandatory coverages of a named individual, up to minimum limits required under Florida law. Such coverages include personal injury protection (PIP) coverage, property damage (PD) liability coverage, bodily injury (BI) liability coverage (if the policy is certified as proof of financial responsibility, and uninsured motorist (UM) coverage (if BI is certified as proof of financial responsibility and the UM coverage is not specifically declined by the policyholder. For these mandatory coverages insurers may choose not to write a policy in order to avoid specific individuals unless the practice is unfair discrimination. This results in consumers who reside with another individual that is a high insurance risk being denied opportunities to purchase motor vehicle insurance or having to pay more because they live with individuals that the policyholder or insurer would like to exclude from the policy. Additionally, policyholders may have their policy cancelled if the license or registration of a co-resident is suspended or revoked.

III. Effect of Proposed Changes:

The bill authorizes insurers and policyholders to exclude identified individuals from coverage under a private passenger motor vehicle insurance policy. An individual would not be covered for damages that occur while operating a motor vehicle that is insured under a policy that excludes the individual by name. The bill prohibits exclusion when the named excluded individual is injured while not operating a motor vehicle, if the OIR determines the exclusion is unfairly discriminatory, or if the exclusion is inconsistent with the underwriting guidelines filed by the insurer with OIR. The exclusion of an identified driver is not valid unless the named insured on the policy consents in writing to the exclusion of a named driver and the excluded drivers are named on the policy's declarations page or on a policy endorsement.

The effective date of the bill is 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:

Policyholders who reside in the same household as a high-risk individual who is of driving age could see a decrease in their rates if they exclude such drivers from all coverages. Additionally, applicants for mandatory coverages may have an easier time obtaining insurance when no longer coupled with a high-risk household member.

The bill may increase the incidence of uninsured drivers operating motor vehicles if the excluded, high-risk driver does not have motor vehicle insurance.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 324.151, 627.736, and 627.7407.

This bill creates section 627.747 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.



710292

LEGISLATIVE ACTION

Senate

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House

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

Senate Amendment (with title amendment)

Delete lines 16 - 42

and insert:

627.747 Named driver exclusion.-

(1) A private passenger motor vehicle policy may exclude an individual identified by name on the declarations page as an excluded driver from coverage while such individual is operating a vehicle designated as an insured vehicle on the policy, but only as provided in this section. The coverages from which the



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11 identified individual may be excluded are:

12 (a) Coverages the named insured are not required by law to
13 purchase, other than uninsured motorist coverage; and

14 (b) Bodily injury liability coverage and property damage
15 liability coverage as required under chapter 324, but only as
16 authorized under s. 324.151(1) (a) .

17 (2) Notwithstanding any other law to the contrary, a
18 private passenger motor vehicle policy may not exclude:

19 (a) Coverage when the identified individual is injured
20 while not operating a motor vehicle as defined in s. 324.021(1);

21 (b) Coverage when the exclusion is unfairly discriminatory
22 as determined by the office under the insurance code;

23 (c) Coverage when the exclusion is inconsistent with the
24 underwriting rules filed by the insurer pursuant to s.
25 627.0651(13) (a); or

26 (d) Uninsured motorist coverage for the excluded driver, if
27 such coverage was included in the policy.

28 (3) This section does not eliminate any financial
29 responsibility obligation under chapter 324 for the excluded
30 driver.

31
32 ===== T I T L E A M E N D M E N T =====

33 And the title is amended as follows:

34 Delete line 8

35 and insert:

36 circumstances; providing construction; amending ss.

37 324.151, 627.736, and

By Senator Bean

4-00624-18

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1 A bill to be entitled
 2 An act relating to motor vehicle insurance coverage
 3 exclusions; creating s. 627.747, F.S.; providing that
 4 private passenger motor vehicle policies may exclude
 5 certain identified individuals from specified
 6 coverages under certain circumstances; providing that
 7 such policies may not exclude coverage under certain
 8 circumstances; amending ss. 324.151, 627.736, and
 9 627.7407, F.S.; conforming provisions to changes made
 10 by the act; providing an effective date.

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

14 Section 1. Section 627.747, Florida Statutes, is created to
 15 read:

16 627.747 Named driver exclusion.-

17 (1) A private passenger motor vehicle policy may exclude an
 18 identified individual who is not a named insured from the
 19 following coverages while the identified individual is operating
 20 a motor vehicle, provided the identified individual is named on
 21 the declarations page or by endorsement, and the named insured
 22 consents in writing to such exclusion:

23 (a) Notwithstanding the Florida Motor Vehicle No-Fault Law,
 24 the personal injury protection coverage specifically applicable
 25 to the identified individual's injuries, lost wages, and death
 26 benefits.

27 (b) Property damage liability coverage.

28 (c) Bodily injury liability coverage, if required by law
 29 and purchased by the named insured.

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30 (d) Uninsured motorist coverage for any damages sustained
 31 by the identified excluded individual, if the named insured has
 32 purchased such coverage.

33 (e) Any coverage the named insured is not required by law
 34 to purchase.

35 (2) A private passenger motor vehicle policy may not
 36 exclude coverage when:

37 (a) The identified individual is injured while not
 38 operating a motor vehicle;

39 (b) The exclusion is unfairly discriminatory under the
 40 Florida Insurance Code, as determined by the office; or

41 (c) The exclusion is inconsistent with the underwriting
 42 rules filed by the insurer pursuant to s. 627.0651(13)(a).

43 Section 2. Paragraph (a) of subsection (1) of section
 44 324.151, Florida Statutes, is amended to read:

45 324.151 Motor vehicle liability policies; required
 46 provisions.-

47 (1) A motor vehicle liability policy to be proof of
 48 financial responsibility under s. 324.031(1), shall be issued to
 49 owners or operators under the following provisions:

50 (a) An owner's liability insurance policy ~~must~~ shall
 51 designate by explicit description or by appropriate reference
 52 all motor vehicles with respect to which coverage is thereby
 53 granted, ~~must and shall~~ insure the owner named therein, and,
 54 except for a named driver excluded under s. 627.747, must insure
 55 any other person as operator using such motor vehicle or motor
 56 vehicles with the express or implied permission of such owner
 57 against loss from the liability imposed by law for damage
 58 arising out of the ownership, maintenance, or use of such motor

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59 vehicle or motor vehicles within the United States or the
 60 Dominion of Canada, subject to limits, exclusive of interest and
 61 costs with respect to each such motor vehicle as is provided for
 62 under s. 324.021(7). Insurers may make available, with respect
 63 to property damage liability coverage, a deductible amount not
 64 to exceed \$500. In the event of a property damage loss covered
 65 by a policy containing a property damage deductible provision,
 66 the insurer shall pay to the third-party claimant the amount of
 67 any property damage liability settlement or judgment, subject to
 68 policy limits, as if no deductible existed.

69 Section 3. Subsection (1) of section 627.736, Florida
 70 Statutes, is amended to read:

71 627.736 Required personal injury protection benefits;
 72 exclusions; priority; claims.—

73 (1) REQUIRED BENEFITS.—An insurance policy complying with
 74 the security requirements of s. 627.733 must provide personal
 75 injury protection to the named insured, relatives residing in
 76 the same household unless excluded under s. 627.747, persons
 77 operating the insured motor vehicle, passengers in the motor
 78 vehicle, and other persons struck by the motor vehicle and
 79 suffering bodily injury while not an occupant of a self-
 80 propelled vehicle, subject to subsection (2) and paragraph
 81 (4) (e), to a limit of \$10,000 in medical and disability benefits
 82 and \$5,000 in death benefits resulting from bodily injury,
 83 sickness, disease, or death arising out of the ownership,
 84 maintenance, or use of a motor vehicle as follows:

85 (a) *Medical benefits*.—Eighty percent of all reasonable
 86 expenses for medically necessary medical, surgical, X-ray,
 87 dental, and rehabilitative services, including prosthetic

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88 devices and medically necessary ambulance, hospital, and nursing
 89 services if the individual receives initial services and care
 90 pursuant to subparagraph 1. within 14 days after the motor
 91 vehicle accident. The medical benefits provide reimbursement
 92 only for:

93 1. Initial services and care that are lawfully provided,
 94 supervised, ordered, or prescribed by a physician licensed under
 95 chapter 458 or chapter 459, a dentist licensed under chapter
 96 466, or a chiropractic physician licensed under chapter 460 or
 97 that are provided in a hospital or in a facility that owns, or
 98 is wholly owned by, a hospital. Initial services and care may
 99 also be provided by a person or entity licensed under part III
 100 of chapter 401 which provides emergency transportation and
 101 treatment.

102 2. Upon referral by a provider described in subparagraph
 103 1., followup services and care consistent with the underlying
 104 medical diagnosis rendered pursuant to subparagraph 1. which may
 105 be provided, supervised, ordered, or prescribed only by a
 106 physician licensed under chapter 458 or chapter 459, a
 107 chiropractic physician licensed under chapter 460, a dentist
 108 licensed under chapter 466, or, to the extent permitted by
 109 applicable law and under the supervision of such physician,
 110 osteopathic physician, chiropractic physician, or dentist, by a
 111 physician assistant licensed under chapter 458 or chapter 459 or
 112 an advanced registered nurse practitioner licensed under chapter
 113 464. Followup services and care may also be provided by the
 114 following persons or entities:

115 a. A hospital or ambulatory surgical center licensed under
 116 chapter 395.

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- 117 b. An entity wholly owned by one or more physicians
 118 licensed under chapter 458 or chapter 459, chiropractic
 119 physicians licensed under chapter 460, or dentists licensed
 120 under chapter 466 or by such practitioners and the spouse,
 121 parent, child, or sibling of such practitioners.
 122 c. An entity that owns or is wholly owned, directly or
 123 indirectly, by a hospital or hospitals.
 124 d. A physical therapist licensed under chapter 486, based
 125 upon a referral by a provider described in this subparagraph.
 126 e. A health care clinic licensed under part X of chapter
 127 400 which is accredited by an accrediting organization whose
 128 standards incorporate comparable regulations required by this
 129 state, or
 130 (I) Has a medical director licensed under chapter 458,
 131 chapter 459, or chapter 460;
 132 (II) Has been continuously licensed for more than 3 years
 133 or is a publicly traded corporation that issues securities
 134 traded on an exchange registered with the United States
 135 Securities and Exchange Commission as a national securities
 136 exchange; and
 137 (III) Provides at least four of the following medical
 138 specialties:
 139 (A) General medicine.
 140 (B) Radiography.
 141 (C) Orthopedic medicine.
 142 (D) Physical medicine.
 143 (E) Physical therapy.
 144 (F) Physical rehabilitation.
 145 (G) Prescribing or dispensing outpatient prescription

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- 146 medication.
 147 (H) Laboratory services.
 148 3. Reimbursement for services and care provided in
 149 subparagraph 1. or subparagraph 2. up to \$10,000 if a physician
 150 licensed under chapter 458 or chapter 459, a dentist licensed
 151 under chapter 466, a physician assistant licensed under chapter
 152 458 or chapter 459, or an advanced registered nurse practitioner
 153 licensed under chapter 464 has determined that the injured
 154 person had an emergency medical condition.
 155 4. Reimbursement for services and care provided in
 156 subparagraph 1. or subparagraph 2. is limited to \$2,500 if a
 157 provider listed in subparagraph 1. or subparagraph 2. determines
 158 that the injured person did not have an emergency medical
 159 condition.
 160 5. Medical benefits do not include massage as defined in s.
 161 480.033 or acupuncture as defined in s. 457.102, regardless of
 162 the person, entity, or licensee providing massage or
 163 acupuncture, and a licensed massage therapist or licensed
 164 acupuncturist may not be reimbursed for medical benefits under
 165 this section.
 166 6. The Financial Services Commission shall adopt by rule
 167 the form that must be used by an insurer and a health care
 168 provider specified in sub-subparagraph 2.b., sub-subparagraph
 169 2.c., or sub-subparagraph 2.e. to document that the health care
 170 provider meets the criteria of this paragraph. Such rule must
 171 include a requirement for a sworn statement or affidavit.
 172 (b) *Disability benefits.*—Sixty percent of any loss of gross
 173 income and loss of earning capacity per individual from
 174 inability to work proximately caused by the injury sustained by

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175 the injured person, plus all expenses reasonably incurred in
 176 obtaining from others ordinary and necessary services in lieu of
 177 those that, but for the injury, the injured person would have
 178 performed without income for the benefit of his or her
 179 household. All disability benefits payable under this provision
 180 must be paid at least every 2 weeks.

181 (c) *Death benefits.*—Death benefits of \$5,000 per
 182 individual. Death benefits are in addition to the medical and
 183 disability benefits provided under the insurance policy. The
 184 insurer may pay death benefits to the executor or administrator
 185 of the deceased, to any of the deceased’s relatives by blood,
 186 legal adoption, or marriage, or to any person appearing to the
 187 insurer to be equitably entitled to such benefits.

188

189 Only insurers writing motor vehicle liability insurance in this
 190 state may provide the required benefits of this section, and
 191 such insurer may not require the purchase of any other motor
 192 vehicle coverage other than the purchase of property damage
 193 liability coverage as required by s. 627.7275 as a condition for
 194 providing such benefits. Insurers may not require that property
 195 damage liability insurance in an amount greater than \$10,000 be
 196 purchased in conjunction with personal injury protection. Such
 197 insurers shall make benefits and required property damage
 198 liability insurance coverage available through normal marketing
 199 channels. An insurer writing motor vehicle liability insurance
 200 in this state who fails to comply with such availability
 201 requirement as a general business practice violates part IX of
 202 chapter 626, and such violation constitutes an unfair method of
 203 competition or an unfair or deceptive act or practice involving

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204 the business of insurance. An insurer committing such violation
 205 is subject to the penalties provided under that part, as well as
 206 those provided elsewhere in the insurance code.

207 Section 4. Paragraph (a) of subsection (5) of section
 208 627.7407, Florida Statutes, is amended to read:

209 627.7407 Application of the Florida Motor Vehicle No-Fault
 210 Law.—

211 (5) No later than November 15, 2007, each motor vehicle
 212 insurer shall provide notice of the provisions of this section
 213 to each motor vehicle insured who is subject to subsection (1).
 214 The notice is not subject to approval by the Office of Insurance
 215 Regulation. The notice must clearly inform the policyholder:

216 (a) That beginning on January 1, 2008, Florida law requires
 217 the policyholder to maintain personal injury protection (“PIP”)
 218 insurance coverage and that this insurance pays covered medical
 219 expenses for injuries sustained in a motor vehicle crash by the
 220 policyholder, passengers, and relatives residing in the
 221 policyholder’s household unless excluded under s. 627.747.

222 Section 5. This act shall take effect July 1, 2018.



The Florida Senate

Committee Agenda Request

To: Senator Anitere Flores, Chair
Committee on Banking and Insurance

Subject: Committee Agenda Request

Date: November 7, 2017

I respectfully request that **Senate Bill #518**, relating to Motor Vehicle Insurance Coverage Exclusions, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

A handwritten signature in blue ink that reads "Aaron Bean".

Senator Aaron Bean
Florida Senate, District 4

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 9, 2017

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Billmeier	Knudson	BI	Favorable
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__

1 A bill to be entitled
 2 An act relating to the Florida Insurance Code
 3 exemption for nonprofit religious organizations;
 4 amending s. 624.1265, F.S.; revising criteria under
 5 which a nonprofit religious organization that
 6 facilitates the sharing of contributions among its
 7 participants for financial or medical needs is exempt
 8 from requirements of the code; revising construction;
 9 revising requirements for a notice provided by the
 10 organization; providing an effective date.

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

14 Section 1. Section 624.1265, Florida Statutes, is amended
 15 to read:

16 624.1265 Nonprofit religious organization exemption;
 17 authority; notice.—

18 (1) A nonprofit religious organization is not subject to
 19 the requirements of the Florida Insurance Code if the nonprofit
 20 religious organization:

21 (a) Qualifies under Title 26, s. 501 of the Internal
 22 Revenue Code of 1986, as amended;

23 (b) Limits its participants to those members who share a
 24 common set of ethical or religious beliefs of the same religion;

25 (c) Acts as a facilitator among an organizational
 26 clearinghouse for information between participants who have
 27 financial, physical, or medical needs to assist those with
 28 financial or medical needs in accordance with criteria
 29 established by the nonprofit religious organization and

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30 ~~participants who have the ability to pay for the benefit of~~
 31 ~~those participants who have financial, physical, or medical~~
 32 ~~needs;~~

33 (d) Provides for the financial or medical needs of a
 34 participant through contributions from other participants;
 35 ~~payments directly from one participant to another participant;~~
 36 ~~and~~

37 (e) Provides amounts that participants may contribute, with
 38 no assumption of risk and no promise to pay:

39 1. Among the participants; or

40 2. By the nonprofit religious organization to the
 41 participants;

42 (f) Provides monthly to the participants the total dollar
 43 amount of qualified needs actually shared in the previous month
 44 in accordance with criteria established by the nonprofit
 45 religious organization; and

46 (g) Conducts an annual audit that is performed by an
 47 independent certified public accounting firm in accordance with
 48 generally accepted accounting principles and that is made
 49 available to the public by providing a copy upon request or by
 50 posting on the nonprofit religious organization's website
 51 ~~suggests amounts that participants may voluntarily give with no~~
 52 ~~assumption of risk or promise to pay among the participants or~~
 53 ~~between the participants.~~

54 (2) This section does not prevent:

55 (a) The organization described in subsection (1) from
 56 acting as a facilitator among participants who have financial or
 57 medical needs to assist those with financial or medical needs in
 58 accordance with criteria established by the organization;

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59 ~~establishing qualifications of participation relating to the~~
 60 ~~health of a prospective participant, does not prevent~~

61 (b) A participant from limiting the financial or medical
 62 ~~needs that may be eligible for payment; or, and does not prevent~~

63 (c) The organization from canceling the membership of a
 64 participant when such participant indicates his or her
 65 unwillingness to participate by failing to make a payment to
 66 another participant for a period in excess of 60 days.

67 (3) The nonprofit religious organization described in
 68 subsection (1) shall provide a written disclaimer on or
 69 accompanying all applications and guideline materials
 70 distributed by or on behalf of the nonprofit religious
 71 organization. The disclaimer must read in substance: "Notice:
 72 The organization facilitating the sharing of medical expenses is
 73 not an insurance company, and neither its guidelines nor plan of
 74 operation is an insurance policy. Whether anyone chooses to
 75 assist you with your medical bills will be totally voluntary
 76 because no other participant is compelled by law to contribute
 77 toward your medical bills. As such, participation in the
 78 organization or a subscription to any of its documents should
 79 never be considered to be insurance. Regardless of whether you
 80 receive any payments for medical expenses or whether this
 81 organization continues to operate, you are always personally
 82 responsible for the payment of your own medical bills." ~~each~~
 83 ~~prospective participant in the organizational clearinghouse~~
 84 ~~written notice that the organization is not an insurance~~
 85 ~~company, that membership is not offered through an insurance~~
 86 ~~company, and that the organization is not subject to the~~
 87 ~~regulatory requirements or consumer protections of the Florida~~

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88 ~~Insurance Code.~~

89 Section 2. This act shall take effect July 1, 2018.

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



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", with a horizontal line extending to the right.

Senator Kathleen Passidomo
Florida Senate, District 28

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/10/18
Meeting Date

5660
Bill Number (if applicable)

Topic Health Care Sharing

Amendment Barcode (if applicable)

Name Joel Noble

Job Title Vice President

Address 6000 N Forest Park Dr

Phone 309-573-7168

Street

Pearis
City

IL
State

61614
Zip

Email joelnoble@ahcsm.org

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Alliance of Health Care Sharing Ministries

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.

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: SPB 7010

INTRODUCER: For consideration by the Banking and Insurance Committee

SUBJECT: OGSR/Payment Instrument Transaction Information/Office of Financial Regulation

DATE: January 9, 2018

REVISED: _____

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. Billmeier	Knudson		BI Submitted as Comm. Bill/Fav

I. Summary:

SPB 7010 is based on an Open Government Sunset Review of a public records exemption for certain information contained in the check cashing database maintained by the Office of Financial Regulation. Check cashers licensed by the Office of Financial Regulation (“OFR”) must enter certain information about transactions that exceed \$1,000 into a check cashing database. Section 560.312, F.S., provides payment instrument transaction information held by the OFR which identifies a licensee, payor, payee, or conductor is exempt from disclosure. The Legislature made such information confidential and exempt because disclosure would reveal sensitive personal financial information including paycheck amounts, salaries, and business activities. The Legislature further found that public disclosure of the information would reveal business information that is traditionally private.

The exemption is scheduled for repeal on October 2, 2018. This bill makes the exemption permanent.

II. Present Situation:

Public Records Law

The Florida Constitution provides that the public has the right to inspect or copy records made or received in connection with official governmental business.¹ This applies to the official business of any public body, officer, or employee of the state, including all three branches of state government, local governmental entities, and any person acting on behalf of the government.²

¹ FLA. CONST., art. I, s. 24(a).

² FLA. CONST., art. I, s. 24(a).

In addition to the Florida Constitution, the Florida Statutes provide that the public may access legislative and executive branch records.³ Chapter 119, F.S., constitutes the main body of public records laws, and is known as the Public Records Act.⁴ The Public Records Act states that

it is the policy of this state that all state, county and municipal records are open for personal inspection and copying by any person. Providing access to public records is a duty of each agency.⁵

According to the Public Records Act, a public record includes virtually any document or recording, regardless of its physical form or how it may be transmitted.⁶ The Florida Supreme Court has interpreted public records as being “any material prepared in connection with official agency business which is intended to perpetuate, communicate or formalize knowledge of some type.”⁷ A violation of the Public Records Act may result in civil or criminal liability.⁸

The Legislature may create an exemption to open meetings requirements by passing a general law by a two-thirds vote of the House and the Senate.⁹ The exemption must explicitly lay out the public necessity justifying the exemption, and must be no broader than necessary to accomplish the stated purpose of the exemption.¹⁰ A statutory exemption which does not meet these two criteria may be unconstitutional and may not be judicially saved.¹¹

When creating a public records exemption, the Legislature may provide that a record is ‘confidential and exempt’ or ‘exempt.’¹² Records designated as ‘confidential and exempt’ may be released by the records custodian only under the circumstances defined by the Legislature.

³ The Public Records Act does not apply to legislative or judicial records. *Locke v. Hawkes*, 595 So.2d 32 (Fla. 1992). Also see *Times Pub. Co. v. Ake*, 660 So.2d 255 (Fla. 1995). The Legislature’s records are public pursuant to s. 11.0431, F.S. Public records exemptions for the Legislature are primarily located in s. 11.0431(2)-(3), F.S.

⁴ Public records laws are found throughout the Florida Statutes.

⁵ Section 119.01(1), F.S.

⁶ Section 119.011(12), F.S., defines “public record” to mean “all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of official business by any agency.” Section 119.011(2), F.S., defines “agency” as “any state, county, district, authority, or municipal officer, department, division, board, bureau, commission, or other separate unit of government created or established by law including, for the purposes of this chapter, the Commission on Ethics, the Public Service Commission, and the Office of Public Counsel, and any other public or private agency, person, partnership, corporation, or business entity acting on behalf of any public agency.”

⁷ *Shevin v. Byron, Harless, Schaffer, Reid and Assoc. Inc.*, 379 So.2d 633, 640 (Fla. 1980).

⁸ Section 119.10, F.S. Public records laws are found throughout the Florida Statutes, as are the penalties for violating those laws.

⁹ FLA. CONST., art. I, s. 24(c).

¹⁰ FLA. CONST., art. I, s. 24(c).

¹¹ *Halifax Hosp. Medical Center v. New-Journal Corp.*, 724 So. 2d 567 (Fla. 1999). In *Halifax Hospital*, the Florida Supreme Court found that a public meetings exemption was unconstitutional because the statement of public necessity did not define important terms and did not justify the breadth of the exemption. *Id.* at 570. The Florida Supreme Court also declined to narrow the exemption in order to save it. *Id.* In *Baker County Press, Inc. v. Baker County Medical Services, Inc.*, 870 So.2d 189 (Fla. 1st DCA 2004), the court found that the intent of a statute was to create a public records exemption. The *Baker County Press* court found that since the law did not contain a public necessity statement, it was unconstitutional. *Id.* at 196.

¹² If the Legislature designates a record as confidential, such record may not be released to anyone other than the persons or entities specifically designated in the statutory exemption. *WFTV, Inc. v. The School Board of Seminole*, 874 So.2d 48 (Fla. 5th DCA 2004).

Records designated as ‘exempt’ may be released at the discretion of the records custodian under certain circumstances.¹³

Open Government Sunset Review Act

The Open Government Sunset Review Act (referred to hereafter as the “OGSR”) prescribes a legislative review process for newly created or substantially amended public records or open meetings exemptions.¹⁴ The OGSR provides that an exemption automatically repeals on October 2nd of the fifth year after creation or substantial amendment; in order to save an exemption from repeal, the Legislature must reenact the exemption.¹⁵ In practice, many exemptions are continued by repealing the sunset date rather than reenacting the exemption.

The OGSR provides that a public records or open meetings exemption may be created or maintained only if it serves an identifiable public purpose and is no broader than is necessary.¹⁶ An exemption serves an identifiable purpose if it meets one of the following purposes *and* the Legislature finds that the purpose of the exemption outweighs open government policy and cannot be accomplished without the exemption:

- It allows the state or its political subdivision to effectively and efficiently administer a program, and administration would be significantly impaired without the exemption;¹⁷
- Releasing sensitive personal information would be defamatory or would jeopardize an individual’s safety. If this public purpose is cited as the basis of an exemption, however, only personal identifying information is exempt;¹⁸ or
- It protects trade or business secrets.¹⁹

The OGSR also requires specified questions to be considered during the review process.²⁰ In examining an exemption, the OGSR asks the Legislature to carefully question the purpose and necessity of reenacting the exemption.

If, in reenacting an exemption, the exemption is expanded, then a public necessity statement and a two-thirds vote for passage are required.²¹ If the exemption is reenacted without substantive changes or if the exemption is narrowed, then a public necessity statement and a two-thirds vote

¹³ A record classified as exempt from public disclosure may be disclosed under certain circumstances. *Williams v. City of Minneola*, 575 So.2d 683 (Fla. 5th DCA 1991).

¹⁴ Section 119.15, F.S. Section 119.15(4)(b), F.S., provides that an exemption is considered to be substantially amended if it is expanded to include more information or to include meetings. The OGSR does not apply to an exemption that is required by federal law or that applies solely to the Legislature or the State Court System pursuant to section 119.15(2), F.S.

¹⁵ Section 119.15(3), F.S.

¹⁶ Section 119.15(6)(b), F.S.

¹⁷ Section 119.15(6)(b)1., F.S.

¹⁸ Section 119.15(6)(b)2., F.S.

¹⁹ Section 119.15(6)(b)3., F.S.

²⁰ Section 119.15(6)(a), F.S. The specified questions are:

- What specific records or meetings are affected by the exemption?
- Whom does the exemption uniquely affect, as opposed to the general public?
- What is the identifiable public purpose or goal of the exemption?
- Can the information contained in the records or discussed in the meeting be readily obtained by alternative means? If so, how?
- Is the record or meeting protected by another exemption?
- Are there multiple exemptions for the same type of record or meeting that it would be appropriate to merge?

²¹ FLA. CONST. art. I, s. 24(c).

for passage are *not* required. If the Legislature allows an exemption to sunset, the previously exempt records will remain exempt unless provided for by law.²²

The Office of Financial Regulation Check Cashing Database

The Office of Financial Regulation (“OFR”) licenses and regulates check cashers pursuant to chapter 560, F.S. In 2013, the OFR was directed to issue a competitive solicitation for “a statewide, real time, online check cashing database to combat fraudulent check cash activity.”²³ The OFR launched the database on October 1, 2015.²⁴ Florida law imposes various requirements on check cashers. A licensee must maintain copies of each payment instrument cashed.²⁵ If the payment instrument exceeds \$1,000, the following additional information must be maintained:

- Customer files, as prescribed by rule, on all customers who cash corporate payment instruments that exceed \$1,000;
- A copy of the personal identification that bears a photograph of the customer used as identification and presented by the customer;
- A thumbprint of the customer taken by the licensee when the payment instrument is presented for negotiation or payment.²⁶

The following information must be entered into the check cashing database before entering into each check cashing transaction for each payment instrument being cashed if the payment instrument exceeds \$1,000:

- Transaction date;
- Payor name as displayed on the payment instrument;
- Payee name as displayed on the payment instrument;
- Conductor name, if different from the payee name;
- Amount of the payment instrument;
- Amount of currency provided;
- Type of payment instrument, which may include personal, payroll, government, corporate, third-party, or another type of instrument;
- Amount of the fee charged for cashing of the payment instrument;
- Branch or location where the payment instrument was accepted;
- The type of identification and identification number presented by the payee or conductor; and
- Payee’s workers’ compensation insurance policy number or exemption certificate number, if the payee is a business.²⁷

The Legislature provided for the creation of the database as a tool to combat workers’ compensation insurance premium fraud.²⁸ A common fraud scheme works as follows. A “facilitator” creates of a shell company and purchases a minimal workers’ compensation

²² Section 119.15(7), F.S.

²³ Section 560.310(4), F.S.; Chapter 2013-139, Laws of Florida.

²⁴ Office of Financial Regulation, *Florida Office of Financial Regulation Announces New Tool to Combat Financial Fraud*, September 3, 2015 at <https://www.flofr.com/PressReleaseDetail.aspx?id=4562> (last accessed January 4, 2018).

²⁵ s. 560.310(1), F.S.

²⁶ s. 560.310(2)(a)-(c), F.S.

²⁷ s. 560.310(1)(d), F.S.

²⁸ Committee on Appropriations, The Florida Senate, *Bill Analysis and Fiscal Impact Statement of CS/SB 410*, April 25, 2013 at p. 1

insurance policy²⁹ in the name of the shell company. The facilitator then allows an uninsured subcontractor to use the shell company name and workers' compensation insurance policy, for a fee, to obtain work from general contractors. After the subcontractor completes work, the general contractor pays the subcontractor wages with a company check made payable to the shell company. The facilitator cashes the check at a check cashing business, collects a fee for providing the insurance policy, and pays the subcontractor in cash. The subcontractor benefits because it has been able to do work using a minimal insurance policy and does not have to pay the full premium for workers' compensation coverage. The costs of such fraudulent schemes are absorbed by contractors and subcontractors who do not commit fraud.

The Department of Financial Services ("DFS") uses the check cashing database and workers' compensation premium information held by the DFS to investigate insurance fraud. For example, the DFS could look at information from the check cashing database and find a company cashed checks for \$50,000 but could tell from workers' compensation insurance filings that the company only reported \$10,000 in payroll. The DFS would investigate the company for compliance with workers' compensation laws and for insurance fraud.³⁰ Without the "real time" information obtained from the check cashing database, some fraud schemes might not be discovered until the OFR examines a licensee during its routine 5 year examination. The "shell" companies used to perpetrate the fraud scheme may only exist for a few months before the facilitator creates another company so it may be impossible to locate the perpetrators after a longer period of time has elapsed.

The DFS recently made an arrest in a workers' compensation fraud case. The DFS alleges that the defendant attempted to avoid payment workers' compensation insurance premium by underreporting the number of staff employed, underreporting the company's payroll, and incorrectly reporting the company's scope of work. In this case the defendant claimed that his company's annual payroll was \$273,786 and was quoted a workers' compensation insurance premium of \$25,311. The DFS investigators determined the defendant cashed at least 620 checks worth nearly \$6.5 million at various check cashing businesses throughout Florida. If the defendant had accurately reported his payroll, his premium would have been over \$1 million.³¹

The DFS has investigated 86 cases involving "shell" companies and premium fraud since July, 2016, and identified over \$196 million in transactions believed to be fraudulent. Twenty four people were arrested in various cases during fiscal year 2015-2016.³²

²⁹ The facilitator typically obtains a policy covering a small number of workers in a low risk occupation so the premium paid to the insurer is minimal. Once the facilitator obtains a certificate of insurance, the facilitator can allow multiple contractors or subcontractors to use it and can charge a fee much less than the cost of workers' compensation coverage.

³⁰ See *A Report by Money Service Business Facilitated-Workers' Compensation Fraud Work Group* at p. 11. (available at https://www.myfloridacfo.com/siteDocs/MoneyServiceBusiness/WC_MSBReport-Rec.pdf last accessed January 4, 2018).

³¹ Department of Financial Services, *\$1 Million Work Comp Scam Leads to Arrest of Construction Company Owner*, November 3, 2017 (last accessed at <https://www.myfloridacfo.com/sitePages/newsroom/pressRelease.aspx?id=4939> on January 4, 2018).

³² Department of Financial Services Memorandum from the Bureau Chief of Worker's Compensation Fraud to the Director of the Investigative and Forensic Services Division dated October 13, 2017 (on file with the Committee on Banking and Insurance).

Confidential and Exempt Information from the Check Cashing Database

Section 560.312, F.S., provides that payment instrument transaction information held by the OFR pursuant to s. 560.310, F.S., which identifies a licensee, payor, payee, or conductor is exempt from disclosure. The Legislature made such information confidential and exempt because disclosure would “reveal sensitive personal financial information about payees and conductors” including “paycheck amounts, salaries, and business activities.”³³ The Legislature further found that public disclosure of licensees or payors would reveal business information that is traditionally private.³⁴ While information that identifies licensees, payors, payees, or conductors is confidential and exempt, other information is not.

Concerns Over Allowing Identifying Information to be Made Public

The staff of the OFR expressed concern that if identifying information were to be made public, persons or entities identified could be targets of crime. For example, the check cashing database contains information revealing the number of transactions over \$1,000 at a specific location on specific dates. If criminals were to access the database and learn that a certain location cashed a large number of checks on a certain day each month, that location or the persons conducting business at that location could face a higher risk of robbery.

In addition, the exemption applies to all persons who may use a check cashing business. For example, an individual without a bank account may choose to cash his or her paycheck at a check cashing business. The Legislature has specifically found that sensitive financial information such as paychecks and salary amounts is traditionally private.³⁵ If the exemption were to be repealed, many traditional private transactions would be subject to public review.

Questions for the Legislature to Consider

Section 119.15, F.S., provides that an exemption shall be maintained only if it serves an identifiable public purpose, and the exemption may be no broader than is necessary to meet the public purpose it serves. An identifiable public purpose is served if the exemption meets one of the following purposes:

- Allows the state or its political subdivisions to effectively and efficiently administer a governmental program, which administration would be significantly impaired without the exemption;
- Protects information of a sensitive personal nature concerning individuals, the release of which information would jeopardize the safety of such individuals. However, in exemptions under this subparagraph, only information that would identify the individuals may be exempted; or
- Protects information of a confidential nature concerning entities, including, but not limited to, a formula, pattern, device, combination of devices, or compilation of information which is used to protect or further a business advantage over those who do not know or use it, the disclosure of which information would injure the affected entity in the marketplace.³⁶

³³ See ch. 2013-155, L.O.F.

³⁴ *Id.*

³⁵ Chapter 2013-155, L.O.F.

³⁶ Section 119.15(6)(b), F.S.

If the Legislature finds an identifiable public purpose, it must also find that the purpose is sufficiently compelling to override the strong public policy of open government and that the purpose cannot be accomplished without the exemption.

III. Effect of Proposed Changes:

This bill is based on an Open Government Sunset Review of a public records exemption in section 560.312, F.S. The exemption provides that payment instrument transaction information held by the OFR pursuant to s. 560.310, F.S., which identifies a licensee, payor, payee, or conductor is exempt from disclosure. The exemption is scheduled for repeal on October 2, 2018. This bill removes the repeal and makes the exemption permanent.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

The bill complies with the requirement of article I, section 24 of the State Constitution that a public records exemption created by the Legislature may only contain exemptions from the constitutional public access requirements and shall relate to one subject.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Maintaining the exemption will allow the private sector to continue to maintain the confidentiality of financial information, such as the identity of persons who cash checks in amounts of \$1,000 or greater, which has historically been confidential.

C. Government Sector Impact:

Maintaining the exemption will allow the DFS and other state agencies to investigate possible insurance fraud in “real time” instead of perhaps learning of the fraud months after the fact.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 560.312 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.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

FOR CONSIDERATION By the Committee on Banking and Insurance

597-01328-18

20187010pb

A bill to be entitled

An act relating to a review under the Open Government Sunset Review Act; amending s. 560.312, F.S., relating to an exemption from public records requirements for certain payment instrument transaction information held by the Office of Financial Regulation; removing the scheduled repeal of the exemption; providing an effective date.

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

Section 1. Section 560.312, Florida Statutes, is amended to read:

560.312 Database of payment instrument transactions; confidentiality.—

(1) Payment instrument transaction information held by the office pursuant to s. 560.310 which identifies a licensee, payor, payee, or conductor is confidential and exempt from s. 119.07(1) and s. 24(a), Art. I of the State Constitution.

(2)(a) A licensee may access information that it submits to the office for inclusion in the database.

(b) The office, to the extent permitted by state and federal law, may enter into information-sharing agreements with the department, law enforcement agencies, and other governmental agencies and, in accordance with such agreements, may provide the department, law enforcement agencies, and other governmental agencies with access to information contained in the database for use in detecting and deterring financial crimes and workers' compensation violations, pursuant to chapter 440. Any department

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

597-01328-18

20187010pb

or agency that receives confidential information from the office under this paragraph must maintain the confidentiality of the information, unless, and only to the extent that, a court order compels production of the information to a specific party or parties.

~~(3) This section is subject to the Open Government Sunset Review Act in accordance with s. 119.15 and shall stand repealed on October 2, 2018, unless reviewed and saved from repeal through reenactment by the Legislature.~~

Section 2. This act shall take effect October 1, 2018.

Page 2 of 2

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

THE FLORIDA SENATE
APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/10/18

Meeting Date

SB 7010

Bill Number (if applicable)

Topic SB 7010 - OGSR/Payment Instrument Transaction Information/Office of Financial Regulation

Amendment Barcode (if applicable)

Name Courtney Larkin OR Jamie Mongiovi

Job Title ~~Deputy Director of Government Relations~~ OFR

Address 101 East Gaines Street

Phone 850-410-9601

Street

Tallahassee

FL

32399

Email courtney.larkin@flofr.com

City

State

Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Florida Office of Financial Regulation

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: SPB 7012

INTRODUCER: For consideration by the Banking and Insurance Committee

SUBJECT: OGSR/Citizens Property Insurance Corporation Policyholder Eligibility Clearinghouse

DATE: January 9, 2018

REVISED: _____

ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1. <u>Matiyow</u>	<u>Knudson</u>	_____	BI Submitted as Comm. Bill/Fav

I. Summary:

SPB 7012 bill reenacts and saves from repeal the public records exemption for proprietary business information provided by participating insurers to the Citizens Property Insurance Corporation's (Citizens) clearinghouse program. Such proprietary business information is shared with the clearinghouse to facilitate placing risks with participating private market insurers instead of Citizens when applicants or current Citizens policyholders seek new or renewal property insurance coverage from Citizens. Participating insurers use their own proprietary business information in the identification and selection of risks within the program before an offer of coverage is made. The proposed bill is based on an Open Government Sunset Review of the public records exemption.

The public records exemption will stand repealed on October 2, 2018, unless reviewed and saved from repeal through reenactment by the Legislature.

The proposed bill takes effect October 1, 2018.

II. Present Situation:

Public Records Law

The Florida Constitution provides that the public has the right to inspect or copy records made or received in connection with official governmental business.¹ This applies to the official business of any public body, officer, or employee of the state, including all three branches of state government, local governmental entities, and any person acting on behalf of the government.²

¹ FLA. CONST., art. I, s. 24(a).

² FLA. CONST., art. I, s. 24(a).

In addition to the Florida Constitution, the Florida Statutes provide that the public may access legislative and executive branch records.³ Chapter 119, F.S., constitutes the main body of public records laws, and is known as the Public Records Act.⁴ The Public Records Act states that

it is the policy of this state that all state, county and municipal records are open for personal inspection and copying by any person. Providing access to public records is a duty of each agency.⁵

According to the Public Records Act, a public record includes virtually any document or recording, regardless of its physical form or how it may be transmitted.⁶ The Florida Supreme Court has interpreted public records as being “any material prepared in connection with official agency business which is intended to perpetuate, communicate or formalize knowledge of some type.”⁷ A violation of the Public Records Act may result in civil or criminal liability.⁸

The Legislature may create an exemption to open meetings requirements by passing a general law by a two-thirds vote of the House and the Senate.⁹ The exemption must explicitly lay out the public necessity justifying the exemption, and must be no broader than necessary to accomplish the stated purpose of the exemption.¹⁰ A statutory exemption which does not meet these two criteria may be unconstitutional and may not be judicially saved.¹¹

When creating a public records exemption, the Legislature may provide that a record is ‘confidential and exempt’ or ‘exempt.’¹² Records designated as ‘confidential and exempt’ may be released by the records custodian only under the circumstances defined by the Legislature.

³ The Public Records Act does not apply to legislative or judicial records. *Locke v. Hawkes*, 595 So.2d 32 (Fla. 1992). Also see *Times Pub. Co. v. Ake*, 660 So.2d 255 (Fla. 1995). The Legislature’s records are public pursuant to s. 11.0431, F.S. Public records exemptions for the Legislature are primarily located in s. 11.0431(2)-(3), F.S.

⁴ Public records laws are found throughout the Florida Statutes.

⁵ s. 119.01(1), F.S.

⁶ s. 119.011(12), F.S., defines “public record” to mean “all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of official business by any agency.” Section 119.011(2), F.S., defines “agency” as “any state, county, district, authority, or municipal officer, department, division, board, bureau, commission, or other separate unit of government created or established by law including, for the purposes of this chapter, the Commission on Ethics, the Public Service Commission, and the Office of Public Counsel, and any other public or private agency, person, partnership, corporation, or business entity acting on behalf of any public agency.”

⁷ *Shevin v. Byron, Harless, Schaffer, Reid and Assoc. Inc.*, 379 So.2d 633, 640 (Fla. 1980).

⁸ s. 119.10, F.S. Public records laws are found throughout the Florida Statutes, as are the penalties for violating those laws.

⁹ FLA. CONST., art. I, s. 24(c).

¹⁰ FLA. CONST., art. I, s. 24(c).

¹¹ *Halifax Hosp. Medical Center v. New-Journal Corp.*, 724 So.2d 567 (Fla. 1999). In *Halifax Hospital*, the Florida Supreme Court found that a public meetings exemption was unconstitutional because the statement of public necessity did not define important terms and did not justify the breadth of the exemption. *Id.* at 570. The Florida Supreme Court also declined to narrow the exemption in order to save it. *Id.* In *Baker County Press, Inc. v. Baker County Medical Services, Inc.*, 870 So.2d 189 (Fla. 1st DCA 2004), the court found that the intent of a statute was to create a public records exemption. The *Baker County Press* court found that since the law did not contain a public necessity statement, it was unconstitutional. *Id.* at 196.

¹² If the Legislature designates a record as confidential, such record may not be released to anyone other than the persons or entities specifically designated in the statutory exemption. *WFTV, Inc. v. The School Board of Seminole*, 874 So.2d 48 (Fla. 5th DCA 2004).

Records designated as ‘exempt’ may be released at the discretion of the records custodian under certain circumstances.¹³

Open Government Sunset Review Act

The Open Government Sunset Review Act (referred to hereafter as the “OGSR”) prescribes a legislative review process for newly created or substantially amended public records or open meetings exemptions.¹⁴ The OGSR provides that an exemption automatically repeals on October 2nd of the fifth year after creation or substantial amendment; in order to save an exemption from repeal, the Legislature must reenact the exemption.¹⁵ In practice, many exemptions are continued by repealing the sunset date rather than reenacting the exemption.

The OGSR provides that a public records or open meetings exemption may be created or maintained only if it serves an identifiable public purpose and is no broader than is necessary.¹⁶ An exemption serves an identifiable purpose if it meets one of the following purposes *and* the Legislature finds that the purpose of the exemption outweighs open government policy and cannot be accomplished without the exemption:

- It allows the state or its political subdivision to effectively and efficiently administer a program, and administration would be significantly impaired without the exemption;¹⁷
- Releasing sensitive personal information would be defamatory or would jeopardize an individual’s safety. If this public purpose is cited as the basis of an exemption, however, only personal identifying information is exempt;¹⁸ or
- It protects trade or business secrets.¹⁹

The OGSR also requires specified questions to be considered during the review process.²⁰ In examining an exemption, the OGSR asks the Legislature to carefully question the purpose and necessity of reenacting the exemption.

If, in reenacting an exemption, the exemption is expanded, then a public necessity statement and a two-thirds vote for passage are required.²¹ If the exemption is reenacted without substantive

¹³ A record classified as exempt from public disclosure may be disclosed under certain circumstances. *Williams v. City of Minneola*, 575 So.2d 683 (Fla. 5th DCA 1991).

¹⁴ Section 119.15, F.S. Section 119.15(4)(b), F.S., provides that an exemption is considered to be substantially amended if it is expanded to include more information or to include meetings. The OGSR does not apply to an exemption that is required by federal law or that applies solely to the Legislature or the State Court System pursuant to section 119.15(2), F.S.

¹⁵ s. 119.15(3), F.S.

¹⁶ s. 119.15(6)(b), F.S.

¹⁷ s. 119.15(6)(b)1., F.S.

¹⁸ s. 119.15(6)(b)2., F.S.

¹⁹ s. 119.15(6)(b)3., F.S.

²⁰ s. 119.15(6)(a), F.S. The specified questions are:

- What specific records or meetings are affected by the exemption?
- Whom does the exemption uniquely affect, as opposed to the general public?
- What is the identifiable public purpose or goal of the exemption?
- Can the information contained in the records or discussed in the meeting be readily obtained by alternative means? If so, how?
- Is the record or meeting protected by another exemption?
- Are there multiple exemptions for the same type of record or meeting that it would be appropriate to merge?

²¹ FLA. CONST. art. I, s. 24(c).

changes or if the exemption is narrowed, then a public necessity statement and a two-thirds vote for passage are *not* required. If the Legislature allows an exemption to sunset, the previously exempt records will remain exempt unless provided for by law.²²

Citizens Property Insurance Corporation Policyholder Eligibility Clearinghouse Program

The Citizens policyholder eligibility clearinghouse program was established by the Legislature in 2013.²³ The program identifies private-market property insurance options for homeowners who believe Citizens may be their only choice for property insurance. When an applicant applies for coverage with Citizens, the Citizens-appointed agent will enter information from the applicant's application into the clearinghouse. Participating private-market companies can review the submitted information to determine whether they would like to offer coverage. If one or more private-market companies offer to insure the risk, the agent will provide the applicant with a quote sheet that includes a side-by-side list of all offers received. The quote sheet will indicate which offers are comparable to Citizens and whether any of those offers fall within the threshold of no more than 15 percent greater than Citizens current rate for new policies and no greater than 0 percent of Citizens current rate for renewal policies. If an offer from a participating private market insurer falls within these thresholds the applicant is ineligible for coverage with Citizens.²⁴ Renewal policies made ineligible for coverage due to a private market offer through the clearinghouse can reapply through Citizens Clearinghouse and be rated as a renewal if within the first 3 years of leaving Citizens their private market rate was raised greater than 10 percent in one year.²⁵

To date there are a total of 15 private market insurers participating in the clearinghouse.²⁶ Since its launch in 2014 thru December 12, 2017, a total of 45,835 new policies consisting of \$13.56 billion in Coverage A has been channeled away from Citizens.²⁷ Additionally, during this same timeframe 8,880 renewal policies consisting of \$1.55 billion in Coverage A has also been channeled out of Citizens and into the private market.²⁸

Section 627.3518(11), F.S., contains a public records exemption for proprietary business information provided to the Citizens clearinghouse by insurers with respect to identifying and selecting risks for an offer of coverage. The public records exemption requires Citizens to hold such information confidential and exempt from s. 119.07(1), F.S., and s. 24(a), Art. I of the State Constitution.

The term "proprietary business information" means information, regardless of form or characteristics, which is owned or controlled by an insurer and:

²² s. 119.15(7), F.S.

²³ ch. 2013-60 L.O.F.

²⁴ s. 627.3518(5), F.S.

²⁵ *Id.*

²⁶ <https://www.citizensfla.com/clearinghouse> (Last viewed Jan. 4, 2018)

²⁷ Citizens Market Accountability and Advisory Committee Depopulation and Clearinghouse Update, December 12, 2017. <https://www.citizensfla.com/documents/20702/6045232/20171212+05+Depopulation+and+Clearinghouse+Update.pdf/4f2151bc-a9fb-4bc6-874a-4c01072b58be> (Last viewed Jan. 4, 2018)

²⁸ *Id.*

- Is identified by the insurer as proprietary business information and is intended to be and is treated by the insurer as private in that the disclosure of the information would cause harm to the insurer, an individual, or the company's business operations and has not been disclosed unless disclosed pursuant to a statutory requirement, an order of a court or administrative body, or a private agreement that provides that the information will not be released to the public;
- Is not otherwise readily ascertainable or publicly available by proper means by other persons from another source in the same configuration as provided to the clearinghouse; and
- Includes, but is not limited to:
 - Trade secrets.
 - Information relating to competitive interests, the disclosure of which would impair the competitive business of the provider of the information.

Proprietary business information may be found in underwriting criteria or instructions which are used to identify and select risks for an offer of coverage through the program and are shared with the clearinghouse to facilitate the shopping of risks by participating insurers.

The clearinghouse may disclose confidential and exempt proprietary business information:

- If the insurer to which it pertains gives prior written consent;
- Pursuant to a court order; or
- To another state agency in this or another state or to a federal agency if the recipient agrees in writing to maintain the confidential and exempt status of the document, material, or other information and has verified in writing its legal authority to maintain such confidentiality.

The Legislative findings as to the public necessity for the exemption indicated that the clearinghouse program would facilitate obtaining offers of property insurance coverage from authorized insurers for new applicants for Citizens coverage and for policyholders seeking to renew their Citizens coverage. This benefits consumers by providing them more choices for coverage and benefits policyholders generally by reducing Citizens' loss exposure and reducing the likelihood that Citizens would have to impose assessments on its policyholders and policyholders in the private market. In order for the program to efficiently determine whether authorized insurers would be interested in making an offer of coverage for a particular risk, a substantial amount of detailed data from those insurers must be provided to the clearinghouse program. If such data were publicly disclosed, it could result in insurers not participating in the program, which would undermine the program's success.

III. Effect of Proposed Changes:

The proposed bill reenacts and saves from repeal the public records exemption for proprietary business information provided by participating insurers to the Citizens clearinghouse program. Such proprietary business information is shared with the clearinghouse to facilitate placing risks with participating private market insurers instead of Citizens when applicants or current Citizens policyholders seek new or renewal property insurance coverage from Citizens. Participating insurers use their own proprietary business information in the identification and selection of risks within the program before an offer of coverage is made. The bill is based on an Open Government Sunset Review of the public records exemption.

The public records exemption will stand repealed on October 2, 2018, unless reviewed and saved from repeal through reenactment by the Legislature.

The effective date of the bill is October 1, 2018.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

The bill complies with the requirement of article I, section 24 of the State Constitution that a public records exemption created by the Legislature may only contain exemptions from the constitutional public access requirements and shall relate to one subject.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

If the exception is repealed insurers may stop participating in the Clearinghouse program and Citizens efforts to depopulate could be negatively impacted.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends section 627.3518 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.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

FOR CONSIDERATION By the Committee on Banking and Insurance

597-00997-18

20187012pb

1 A bill to be entitled
 2 An act relating to a review under the Open Government
 3 Sunset Review Act; amending s. 627.3518, F.S.,
 4 relating to an exemption from public records
 5 requirements for certain proprietary business
 6 information provided by insurers to the Citizens
 7 Property Insurance Corporation policyholder
 8 eligibility clearinghouse; removing the scheduled
 9 repeal of the exemption; providing an effective date.

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

11 Section 1. Subsection (11) of section 627.3518, Florida
 12 Statutes, is amended to read:

13 627.3518 Citizens Property Insurance Corporation
 14 policyholder eligibility clearinghouse program.—The purpose of
 15 this section is to provide a framework for the corporation to
 16 implement a clearinghouse program by January 1, 2014.

17 (11) Proprietary business information provided to the
 18 corporation's clearinghouse by insurers with respect to
 19 identifying and selecting risks for an offer of coverage is
 20 confidential and exempt from s. 119.07(1) and s. 24(a), Art. I
 21 of the State Constitution.

22 (a) As used in this subsection, the term "proprietary
 23 business information" means information, regardless of form or
 24 characteristics, which is owned or controlled by an insurer and:

25 1. Is identified by the insurer as proprietary business
 26 information and is intended to be and is treated by the insurer
 27 as private in that the disclosure of the information would cause
 28
 29

Page 1 of 3

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597-00997-18

20187012pb

30 harm to the insurer, an individual, or the company's business
 31 operations and has not been disclosed unless disclosed pursuant
 32 to a statutory requirement, an order of a court or
 33 administrative body, or a private agreement that provides that
 34 the information will not be released to the public;

35 2. Is not otherwise readily ascertainable or publicly
 36 available by proper means by other persons from another source
 37 in the same configuration as provided to the clearinghouse; and

38 3. Includes, but is not limited to:

39 a. Trade secrets.

40 b. Information relating to competitive interests, the
 41 disclosure of which would impair the competitive business of the
 42 provider of the information.

43 Proprietary business information may be found in underwriting
 44 criteria or instructions which are used to identify and select
 45 risks through the program for an offer of coverage and are
 46 shared with the clearinghouse to facilitate the shopping of
 47 risks with the insurer.

48 (b) The clearinghouse may disclose confidential and exempt
 49 proprietary business information:

50 1. If the insurer to which it pertains gives prior written
 51 consent;

52 2. Pursuant to a court order; or

53 3. To another state agency in this or another state or to a
 54 federal agency if the recipient agrees in writing to maintain
 55 the confidential and exempt status of the document, material, or
 56 other information and has verified in writing its legal
 57 authority to maintain such confidentiality.
 58

Page 2 of 3

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20187012pb

59 ~~(e) This subsection is subject to the Open Government~~
60 ~~Sunset Review Act in accordance with s. 119.15 and shall stand~~
61 ~~repealed on October 2, 2018, unless reviewed and saved from~~
62 ~~repeal through reenactment by the Legislature.~~

63 Section 2. This act shall take effect October 1, 2018.

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

1/10/17
Meeting Date

SPB 7012
Bill Number (if applicable)

Topic _____ Amendment Barcode (if applicable)

Name Christine Ashburn

Job Title Chief, Communications / Legislative / External Affairs

Address 2101 Maryland Circle Phone 513.3757

Tallahassee FL 32303 Email _____
City State Zip

Speaking: For Against Information

Waive Speaking: In Support Against
(The Chair will read this information into the record.)

Representing Citizens Property Insurance Corporation

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.

CourtSmart Tag Report

Room: EL 110 Case No.:
Caption: Senate Banking and Insurance Committee

Type:
Judge:

Started: 1/10/2018 9:04:56 AM
Ends: 1/10/2018 10:28:32 AM Length: 01:23:37

9:04:58 AM Meeting called to order by Chair Flores
9:05:09 AM Roll call by Administrative Assistant Sheri Green
9:05:18 AM Quorum present
9:05:26 AM Comments from Chair Flores
9:05:53 AM Comments and Introduction of SB 660 by Chair Flores
9:06:08 AM Explanation of SB 660 by Senator Brandes
9:06:36 AM
9:06:54 AM Joel Nobel, Vice President, Alliance of Health Care Sharing Ministries waives in support
9:07:08 AM
9:07:16 AM Closure waived by Senator Brandes
9:07:22 AM Roll call by Sheri Green
9:07:31 AM SB 660 reported favorably
9:08:10 AM Introduction of SB 150 by Chair Flores
9:08:33 AM Amendment Barcode Number 543534 introduced by Chair Flores
9:08:52 AM Explanation of Amendment Barcode Number 543534 by Senator Lee
9:16:40 AM Question from Senator Bradley regarding Amendment
9:17:00 AM Response from Senator Lee
9:18:52 AM Follow-up question from Senator Bradley
9:19:17 AM Response from Senator Lee
9:20:32 AM Additional question from Senator Bradley
9:21:07 AM Response from Senator Lee
9:23:17 AM Comments/additional question from Senator Bradley
9:23:47 AM Response from Senator Lee
9:25:39 AM Comments from Senator Bradley
9:26:31 AM Barcode Amendment Number 762724 introduced
9:26:41 AM Explanation of Amendment by James Knudson, Staff Director
9:27:14 AM Comments from Chair Flores
9:27:20 AM Amendment adopted
9:27:45 AM Amendment Late-filed 596228 introduced by Chair Flores
9:28:16 AM Explanation of Late-filed Amendment Barcode Number 596228 by Senator Garcia
9:30:22 AM Kim Driggers, Florida Chiropractic Association waives in support
9:30:29 AM Ron Watson, Florida Chiropractic Physician Association waives in support
9:30:43 AM Comments from Senator Lee regarding Amendment
9:32:16 AM Amendment 596228 adopted
9:32:26 AM Amendment 296334 introduced by Chair Flores
9:32:51 AM Explanation of Amendment by Senator Thurston
9:34:05 AM Question from Senator Bradley
9:34:20 AM Response from Senator Thurston
9:35:06 AM Follow-up question from Senator Bradley
9:35:13 AM Response from Senator Thurston
9:35:35 AM Additional question from Senator Bradley
9:35:44 AM Response from Senator Thurston
9:36:01 AM Additional question from Senator Bradley
9:36:06 AM Response from Senator Thurston
9:36:13 AM Additional question from Senator Bradley
9:36:20 AM Response from Senator Thurston
9:36:28 AM Additional question from Senator Bradley
9:36:43 AM Response from Senator Thurston
9:37:16 AM Comments from Senator Lee
9:38:26 AM Comments from Staff Director
9:39:06 AM Question from Senator Garcia
9:39:47 AM Speaker Dale Swope, Florida Justice Association

9:41:06 AM Question from Senator Broxson
9:41:13 AM Response from Mr. Swope
9:41:59 AM Follow-up question from Senator Broxson
9:42:08 AM Response from Mr. Swope
9:43:16 AM Speaker Mark Delegal, State Farm Mutual Automobile Insurance Company
9:45:02 AM Comments from Senator Thurston regarding withdrawal of Amendment
9:45:25 AM Amendment withdrawn
9:46:06 AM Speaker Doug Bell, Progressive Insurance
9:47:33 AM Mark Delegal, State Farm Mutual against amendment
9:47:39 AM Kim Driggers, Florida Chiropractic Association against
9:48:00 AM Closure by Senator Lee
9:48:11 AM Amendment adopted
9:49:11 AM Speaker Dale Swope, Florida Justice Association in support
9:51:09 AM Question from Senator Garcia
9:51:15 AM Response from Mr. Swope
9:51:43 AM Follow-up question from Senator Garcia
9:51:49 AM Response from Mr. Swope
9:52:08 AM Additional question from Senator Garcia
9:52:32 AM Response from Mr. Swope
9:53:58 AM Speaker Brad Naig, Senior Risk & Public Policy Manager, UBER
9:55:45 AM Bonny Gordon, Senior Counsel, Government Employees Insurance Company waives in opposition
9:56:39 AM Speaker Christine Rodriguez in support
10:01:38 AM Samantha Saxton, Vice President of Legislative and Regulatory Affairs, Personal Insurance Federation of Florida waives against
10:01:48 AM Ron Watson, Florida Chiropractic Physician Association waives against
10:02:29 AM Speaker Rick Parker, Florida Justice Reform Institute against
10:07:04 AM Question from Senator Taddeo
10:07:13 AM Response from Mr. Parker
10:07:24 AM Follow-up question from Senator Taddeo
10:07:41 AM Response from Mr. Parker
10:08:46 AM Speaker Gary Guzzo, Institute for Legal Reform
10:09:50 AM Question from Senator Gainer
10:09:58 AM Response from Mr. Guzzo
10:10:33 AM Mary Thomas, Assistant General Counsel, Florida Medical Association waives in support
10:10:38 AM Robert Reyes, Allstate Insurance Company waives against
10:11:01 AM Speaker Mark Delegal, State Farm Mutual Automobile Insurance
10:15:16 AM Question from Senator Broxson
10:15:34 AM Response from Mr. Delegal
10:16:39 AM Speaker Kim Driggers, Florida Chiropractic Association in opposition
10:19:44 AM Speaker Toni Large, Florida College of Emergency Physicians & Florida Orthopedic Society in support
10:20:36 AM Motion for time certain vote for 10:25 by Senator Garcia
10:20:47 AM Time certain vote approved
10:21:09 AM Continued comments by Ms. Large
10:22:22 AM Logan McFadden, Regional Director, Property Casualty Association in opposition
10:22:28 AM Jim Magazine waives in support
10:22:44 AM Senator Garcia in debate
10:23:35 AM Closure by Senator Lee
10:25:21 AM Roll call on CS/SB 150 by Sheri Green
10:25:37 AM CS/SB 150 reported favorably
10:25:52 AM Comments from Chair
10:25:58 AM Introduction of SPB 7010 by Chair Flores
10:26:10 AM Explanation of SPB 7010 by Michael Billmeier
10:26:32 AM Courtney Larkin/Jamie Mongiori, Florida Office of Financial Regulation waives in support
10:26:40 AM Senator Gainer moves that SPB 7010 become a Committee Bill
10:26:43 AM Roll call on SPB 7010 by Sheri Green
10:26:53 AM SPB 7010 reported favorably
10:26:59 AM Introduction of SPB 7012 by Chair Flores
10:27:09 AM Explanation of SPB 7012 by James Knudson, Staff Director
10:27:47 AM Christine Ashburn, Chief Communication/Legislative/External Affairs, Citizens Property Insurance Corporation waives in support
10:27:54 AM Senator Broxson moves that SPB 7012 become a Committee Bill
10:27:57 AM Roll call on SPB 7012 by Sheri Green

10:28:09 AM SPB 7012 reported favorably
10:28:16 AM Comments from Chair Flores
10:28:25 AM Senator Bracy moves to adjourn