

## Committee on Banking and Insurance

### **CS/CS/CS/HB 301 — Insurance**

by Commerce Committee; Civil Justice Subcommittee; Insurance and Banking Subcommittee; and Rep. Santiago (CS/CS/CS/CS/SB 714 by Appropriations Committee; Banking and Insurance Committee; Judiciary Committee; Banking and Insurance Committee; and Senators Brandes and Bracy)

The bill:

- Increases from 5 percent to 10 percent the amount of loss adjustment expenses covered by the Florida Hurricane Catastrophe Fund for contracts effective on or after June 1, 2019.
- Beginning January 1, 2020, allows the transfer of a salvage title to a motor vehicle or mobile home by electronic means, the United States Postal Service, or another commercially available delivery service.
- Allows for an electronic signature consistent with Ch. 668, F.S., for any signature required to transfer a salvage title.
- Requires odometer disclosures submitted through an insurance company must be in accordance with s. 668.003(4), F.S., and use a system providing an Identity Assurance Level, Authenticator Assurance Level, and Federation Assurance Level, as described in the National Institute of Standards and Technology Special Publication 800-63-3, as of December 1, 2017, that are equivalent to or greater than:
  - Level 2, for each level, for a certificate of destruction.
  - Level 3, for each level, for a salvage certificate of title.
- Removes the requirement for workers compensation applications to be notarized by the applicant and agent.
- Reduces the penalty from second degree to third degree felony for intentionally submitting false information on a workers compensation application.
- Provides that beginning January 1, 2020, a liability insurer who defends an insured will have the right to compel the sharing of defense costs by another insurer who also owes a duty to defend the insured on the same claim.
- Provides that notice of a bad faith claim may not be filed within 60 days after appraisal has been invoked by a party in a residential property insurance claim.
- Deletes a provision allowing the Department of Financial Services to return a pre-suit notice for a bad faith action if the notice lacks specific information.
- Allows a foreign or alien insurer to operate in Florida without first having 3 years of experience if the Office of Insurance Regulation has determined the insurer possesses sufficient capital and surplus to support its plan of operation.
- Classifies health maintenance organizations and prepaid limited health service organizations, which write in Florida and other states, as property and casualty insurers for the purpose of calculating the formula for risk based capital.
- Provides that a residential structure with a dwelling replacement cost of \$700,000 or more may be exported to a surplus lines insurer if an agent seeks coverage from one authorized insurer and is rejected.

- Removes the \$35 limit on the per-policy fee a surplus line agent may charge for each policy certified for export to a surplus lines insurer and allows retail agents to charge a similar uncapped fee for placing a surplus lines policy. Both fees must be reasonable and must be itemized separately to the customer before purchase.
- Exempts insurers from certain restrictions in unfair methods of competition when providing services or other merchandise, goods, wares, or items of value that relate to loss control or loss mitigation with respect to the risks covered under the policy to the insured for free or at a discounted price.
- Allows an insurer to offer a multiline discount to the insured when policies from insurers operating under a joint marketing agreement are purchased, when a policy is removed from Citizens Property Insurance Corporation through the policyholder eligibility clearinghouse program, or when the same agent is servicing the policies from different insurers.
- Allows liability insurers to provide required written notice of defense and notice of refusal to defend to the insured via United States postal proof of mailing, registered or certified mail, or other mailing using the Intelligent Mail barcode or other similar tracking method used or approved by the United States Postal Service.
- Requires a life insurer to provide a notice of lapse to the agent servicing a life insurance policy 21 days prior to the effective date of the lapse unless the insurer provides an online method for the agent to identify lapsing policies, the insurer has no record of the agent servicing the policy, or the agent is employed by the insurer or its affiliate.
- Allows the notice of mediation to be given at the time a property insurance policy is issued and renewed or after a first party property claim has been filed.
- Reduces the amount of premium that must be paid upfront on a private passenger motor vehicle policy from 2 months to 1 month.

If approved by the Governor, these provisions take effect July 1, 2019, except as otherwise provided.

*Vote: Senate 37-1; House 114-0*