By the Committee on Banking and Insurance; and Senator Posey

597-2464-07

1	A bill to be entitled
2	An act relating to prohibited free insurance
3	practices; amending s. 626.9541, F.S.;
4	providing an additional exclusion from a
5	prohibition against free insurance for certain
6	communications equipment; providing a
7	definition; providing an effective date.
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9	Be It Enacted by the Legislature of the State of Florida:
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11	Section 1. Paragraph (n) of subsection (1) of section
12	626.9541, Florida Statutes, is amended to read:
13	626.9541 Unfair methods of competition and unfair or
14	deceptive acts or practices defined
15	(1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR
16	DECEPTIVE ACTSThe following are defined as unfair methods
17	of competition and unfair or deceptive acts or practices:
18	(n) Free insurance prohibited
19	1. Advertising, offering, or providing free insurance
20	as an inducement to the purchase or sale of real or personal
21	property or of services directly or indirectly connected with
22	such real or personal property.
23	2. For the purposes of this paragraph, "free"
24	insurance is:
25	a. Insurance for which no identifiable and additional
26	charge is made to the purchaser of such real property,
27	personal property, or services.
28	b. Insurance for which an identifiable or additional
29	charge is made in an amount less than the cost of such
30	insurance as to the seller or other person, other than the
31	insurer, providing the same.

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1	3. Subparagraphs 1. and 2. do not apply to:
2	a. Insurance of, loss of, or damage to the real or
3	personal property involved in any such sale or services, under
4	a policy covering the interests therein of the seller or
5	vendor.
6	b. Blanket disability insurance as defined in s.
7	627.659.
8	c. Credit life insurance or credit disability
9	insurance.
10	d. Any individual, isolated, nonrecurring unadvertised
11	transaction not in the regular course of business.
12	e. Title insurance.
13	f. Any purchase agreement involving the purchase of a
14	cemetery lot or lots in which, under stated conditions, any
15	balance due is forgiven upon the death of the purchaser.
16	g. Life insurance, trip cancellation insurance, or
17	lost baggage insurance offered by a travel agency as part of a
18	travel package offered by and booked through the agency.
19	h. Insurance covering communications equipment if the
20	person paying for the insurance:
21	(I) Has an ongoing contractual interest or other
22	economic interest in the communications equipment;
23	(II) Requires the communications equipment to deliver
24	<pre>its services;</pre>
25	(III) Discloses the cost of the insurance at the time
26	the communications equipment is sold; and
27	(IV) Provides the insurance to every person who
28	purchases a service warranty contract on the equipment and
29	does not provide the insurance to anyone who does not purchase
30	a service warranty contract on the equipment.

1	For purposes of this sub-subparagraph, the term
2	"communications equipment" means handsets, pagers, or personal
3	digital assistants used to originate or receive communications
4	signals or service.
5	4. Using the word "free" or words which imply the
6	provision of insurance without a cost to describe life or
7	disability insurance, in connection with the advertising or
8	offering for sale of any kind of goods, merchandise, or
9	services.
10	Section 2. This act shall take effect upon becoming a
11	law.
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13	STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN COMMITTEE SUBSTITUTE FOR
14	Senate Bill 1754
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16	The committee substitute provides the following change:
17	Deletes all provisions of the bill and excludes insurance covering communications equipment from the prohibition
18	against free insurance, under certain conditions.
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