

1 A bill to be entitled
 2 An act relating to life insurance; creating s. 627.4605,
 3 F.S.; specifying nonapplication of a required notice to a
 4 current insurer of a policy replacement under certain
 5 circumstances; amending s. 627.464, F.S.; providing a
 6 limitation on the resale of certain annuities to third
 7 parties; amending s. 627.552, F.S.; prohibiting the
 8 creating or permitting of certain classes of employees for
 9 group health insurance policy purposes; preserving an
 10 employer's authority to require certain plan participation
 11 as a condition of employment; amending s. 627.5575, F.S.;
 12 revising the limitation on the amount of insurance for
 13 spouses of dependent children of employees of members
 14 under a group life insurance policy; providing an
 15 effective date.

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

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 19 Section 1. Section 627.4605, Florida Statutes, is created
 20 to read:

21 627.4605 Replacement notice.-A notice to a current insurer
 22 of a replacement of a current life insurance policy is not
 23 required in a transaction involving:

24 (1) An application to the current insurer that issued the
 25 current policy or contract when a contractual change or
 26 conversion privilege is being exercised;

27 (2) A current policy or contract is being replaced by the
 28 same insurer pursuant to a program filed with and approved by

29 | the office; or

30 | (3) A term conversion privilege is being exercised among
31 | corporate affiliates.

32 | Section 2. Subsection (2) of section 627.464, Florida
33 | Statutes, is renumbered as subsection (3), and a new subsection
34 | (2) is added to that section to read:

35 | 627.464 Annuity contracts, pure endowment contracts;
36 | standard provisions.—

37 | (2) An annuity purchased, dedicated, or otherwise allocated
38 | as part of a settlement to satisfy the requirements of 42 U.S.C. s.
39 | 1395y(b) (2) may not be sold to, or commuted by or for, a third
40 | party unconnected to the settlement.

41 | Section 3. Paragraph (a) of subsection (1) of section
42 | 627.552, Florida Statutes, is amended to read:

43 | 627.552 Employee groups.—Subject to all of the
44 | requirements of this section, the lives of a group of individual
45 | employees of an employer may be insured, for the benefit of
46 | persons other than the employer, under a policy issued to the
47 | employer or to the trustees of a fund established by an
48 | employer, which employer or board of trustees is deemed to be
49 | the policyholder.

50 | (1) (a) The employees eligible for insurance under the
51 | policy shall be all of the employees of the employer, or all of
52 | any class or classes of employees determined by conditions
53 | pertaining to their employment; however, a class of employees
54 | may not be created or permitted that consists solely of
55 | employees covered under the employer's group health plan. This
56 | section does not prohibit an employer from requiring

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57 participation in its group health plan as a condition of
58 employment.

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60 This section does not affect the provisions of ss. 112.08-
61 112.14.

62 Section 4. Subsection (3) of section 627.5575, Florida
63 Statutes, is amended to read:

64 627.5575 Group life insurance for dependents.—Except for a
65 policy issued under s. 627.553, a group life insurance policy
66 may be extended to insure the employees or members against loss
67 due to the deaths of their spouses and dependent children or any
68 class or classes thereof, subject to the following:

69 (3) The amounts of insurance for any covered spouse or
70 dependent child under the policy may not exceed ~~50 percent of~~
71 the amount of insurance for which the employee or member is
72 insured.

73 Section 5. This act shall take effect upon becoming a law.