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LEGISLATIVE ACTION

Senate

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House

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Floor: 16/AD/2R

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04/27/2011 02:23 PM

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Senator Richter moved the following:

Senate Amendment

Delete lines 2606 - 2674

and insert:

1. A policy covering both a home and motor vehicle may be nonrenewed for any reason applicable to either the property or motor vehicle insurance after providing 90 days' notice. ~~The insurer shall give the named insured written notice of nonrenewal, cancellation, or termination at least 180 days prior to the effective date of the nonrenewal, cancellation, or termination for a named insured whose residential structure has been insured by that insurer or an affiliated insurer for at least a 5-year period immediately prior to the date of the~~



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14 ~~written notice.~~

15 2. ~~If~~ When cancellation is for nonpayment of premium, at
16 least 10 days' written notice of cancellation accompanied by the
17 reason therefor must ~~shall~~ be given. As used in this
18 subparagraph, the term "nonpayment of premium" means failure of
19 the named insured to discharge when due ~~any of~~ her or his
20 obligations in connection with the payment of premiums on a
21 policy or any installment of such premium, whether the premium
22 is payable directly to the insurer or its agent or indirectly
23 under any premium finance plan or extension of credit, or
24 failure to maintain membership in an organization if such
25 membership is a condition precedent to insurance coverage. The
26 term "~~Nonpayment of premium~~" also means the failure of a
27 financial institution to honor an insurance applicant's check
28 after delivery to a licensed agent for payment of a premium,
29 even if the agent has previously delivered or transferred the
30 premium to the insurer. If a dishonored check represents the
31 initial premium payment, the contract and all contractual
32 obligations are ~~shall be~~ void ab initio unless the nonpayment is
33 cured within the earlier of 5 days after actual notice by
34 certified mail is received by the applicant or 15 days after
35 notice is sent to the applicant by certified mail or registered
36 mail, and if the contract is void, any premium received by the
37 insurer from a third party must ~~shall~~ be refunded to that party
38 in full.

39 3. ~~If~~ When such cancellation or termination occurs during
40 the first 90 days ~~during which~~ the insurance is in force and the
41 insurance is canceled or terminated for reasons other than
42 nonpayment of premium, at least 20 days' written notice of



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43 cancellation or termination accompanied by the reason therefor
44 must shall be given unless except where there has been a
45 material misstatement or misrepresentation or failure to comply
46 with the underwriting requirements established by the insurer.

47 4. The requirement for providing written notice ~~of~~
48 ~~nonrenewal~~ by June 1 of any nonrenewal that would be effective
49 between June 1 and November 30 does not apply to the following
50 situations, but the insurer remains subject to the requirement
51 to provide such notice at least 100 days before ~~prior to~~ the
52 effective date of nonrenewal:

53 a. A policy that is nonrenewed due to a revision in the
54 coverage for sinkhole losses and catastrophic ground cover
55 collapse pursuant to s. 627.706, ~~as amended by s. 30, chapter~~
56 ~~2007-1, Laws of Florida.~~

57 b. A policy that is nonrenewed by Citizens Property
58 Insurance Corporation, pursuant to s. 627.351(6), for a policy
59 that has been assumed by an authorized insurer offering
60 replacement ~~or renewal~~ coverage to the policyholder is exempt
61 from the notice requirements of paragraph (a) and this
62 paragraph. In such cases, the corporation must give the named
63 insured written notice of nonrenewal at least 45 days before the
64 effective date of the nonrenewal.

65
66 After the policy has been in effect for 90 days, the policy may
67 ~~shall~~ not be canceled by the insurer unless except when there
68 has been a material misstatement, a nonpayment of premium, a
69 failure to comply with underwriting requirements established by
70 the insurer within 90 days after ~~of~~ the date of effectuation of
71 coverage, or a substantial change in the risk covered by the



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72 policy or if ~~when~~ the cancellation is for all insureds under
73 such policies for a given class of insureds. This paragraph does
74 not apply to individually rated risks having a policy term of
75 less than 90 days.

76 5. Notwithstanding any other provision of law, an insurer