

By Senator Hays

20-00804-12

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1 A bill to be entitled

2 An act relating to the nonrenewal of insurance;  
3 amending s. 626.9201, F.S.; providing specified  
4 exemptions from the requirement that an insurer  
5 provide notification of nonrenewal to an insured;  
6 providing an effective date.

7  
8 Be It Enacted by the Legislature of the State of Florida:

9  
10 Section 1. Section 626.9201, Florida Statutes, is amended  
11 to read:

12 626.9201 Notice of cancellation or nonrenewal.—

13 (1) An insurer issuing a policy providing coverage for  
14 property, casualty, surety, or marine insurance must ~~shall~~ give  
15 the named insured at least 45 days' advance written notice of  
16 nonrenewal. If the policy is not to be renewed, the written  
17 notice shall state the ~~reason or~~ reasons as to why the policy is  
18 not to be renewed. This subsection does not apply:

19 (a) If the insurer, through notification to the insured or  
20 the insured's insurance agent, has manifested its willingness to  
21 renew; or

22 (b) If a notice of cancellation for nonpayment of premium  
23 is provided under subsection (2).

24 (2) An insurer issuing a policy providing coverage for  
25 property, casualty, surety, or marine insurance must ~~shall~~ give  
26 the named insured written notice of cancellation or termination  
27 other than nonrenewal at least 45 days before ~~prior to~~ the  
28 effective date of the cancellation or termination, including in  
29 the written notice the ~~reason or~~ reasons for the cancellation or

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30 termination, except that:

31 (a) If ~~When~~ cancellation is for nonpayment of premium, at  
32 least 10 days' written notice of cancellation accompanied by the  
33 reason for cancellation must ~~therefor shall~~ be given. As used in  
34 this paragraph, the term "nonpayment of premium" means the  
35 failure of the named insured to discharge when due any of his or  
36 her obligations in connection with the payment of premiums on a  
37 policy or an installment of such a premium, whether the premium  
38 or installment is payable directly to the insurer or its agent  
39 or indirectly under any plan for financing premiums or extension  
40 of credit or the failure of the named insured to maintain  
41 membership in an organization if such membership is a condition  
42 precedent to insurance coverage. The term also includes the  
43 failure of a financial institution to honor the check of an  
44 applicant for insurance which was delivered to a licensed agent  
45 for payment of a premium, even if the agent previously delivered  
46 or transferred the premium to the insurer. If a correctly  
47 dishonored check represents payment of the initial premium, the  
48 contract and all contractual obligations are void ab initio  
49 unless the nonpayment is cured within the earlier of 5 days  
50 after actual notice by certified mail is received by the  
51 applicant or 15 days after notice is sent to the applicant by  
52 certified mail or registered mail, and, if the contract is void,  
53 any premium received by the insurer from a third party shall be  
54 refunded to that party in full; and

55 (b) If ~~When such~~ cancellation or termination occurs during  
56 the first 90 days during which the insurance is in force and if  
57 the insurance is canceled or terminated for reasons other than  
58 nonpayment, at least 20 days' written notice of cancellation or

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59 termination accompanied by the reason for cancellation or  
60 termination must ~~therefor shall~~ be given, except if ~~where~~ there  
61 has been a material misstatement or misrepresentation or failure  
62 to comply with the underwriting requirements established by the  
63 insurer.

64 (3) If an insurer fails to provide the ~~45-day or 20-day~~  
65 written notice as required under this section, the coverage  
66 provided to the named insured remains ~~shall remain~~ in effect  
67 until 45 days after the notice is given or until the effective  
68 date of replacement coverage obtained by the named insured,  
69 whichever occurs first. The premium for the coverage remains  
70 ~~shall remain~~ the same during ~~any~~ such extension period.

71 Section 2. This act shall take effect July 1, 2012.