

1 A bill to be entitled
2 An act relating to automobile insurance; amending s.
3 627.311, F.S.; authorizing the Florida Automobile
4 Joint Underwriting Association and a joint
5 underwriting plan approved by the Office of Insurance
6 Regulation to cancel personal lines or commercial
7 policies within a specified time for nonpayment of
8 premium due to certain reasons; prohibiting an insured
9 from cancelling a policy or binder within a specified
10 time except under certain conditions; amending s.
11 627.4035, F.S.; revising the forms of premium payment;
12 authorizing insurers to charge an insufficient funds
13 fee of up to a specified amount; amending s. 627.7283,
14 F.S.; authorizing an insured who cancels a policy to
15 apply the unearned portion of any premium paid to
16 unpaid balances of other policies with the same
17 insurer or insurer group; amending s. 627.7295, F.S.;
18 updating applicability language to include a reference
19 to recurring credit card or debit card payments;
20 amending s. 627.736, F.S.; requiring that a certain
21 standard form be approved by the office and adopted by
22 the Financial Services Commission, rather than
23 approved by the office or adopted by the commission;
24 revising standards for compliance for specified
25 billings for medical services; amending s. 627.739,
26 F.S.; revising applicability; providing a limitation

27 to an amount of expenses and losses applicable to a
 28 deductible related to personal injury protection
 29 benefits under a certain condition; amending s.
 30 627.744, F.S.; authorizing an insurer to opt out of
 31 the preinsurance inspection of private passenger motor
 32 vehicles and to establish its own preinsurance
 33 inspection program if it files a certain manual rule
 34 with the office; providing an effective date.

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

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 38 Section 1. Paragraph (m) is added to subsection (3) of
 39 section 627.311, Florida Statutes, to read:

40 627.311 Joint underwriters and joint reinsurers; public
 41 records and public meetings exemptions.—

42 (3) The office may, after consultation with insurers
 43 licensed to write automobile insurance in this state, approve a
 44 joint underwriting plan for purposes of equitable apportionment
 45 or sharing among insurers of automobile liability insurance and
 46 other motor vehicle insurance, as an alternate to the plan
 47 required in s. 627.351(1). All insurers authorized to write
 48 automobile insurance in this state shall subscribe to the plan
 49 and participate therein. The plan shall be subject to continuous
 50 review by the office which may at any time disapprove the entire
 51 plan or any part thereof if it determines that conditions have
 52 changed since prior approval and that in view of the purposes of

53 the plan changes are warranted. Any disapproval by the office
 54 shall be subject to the provisions of chapter 120. The Florida
 55 Automobile Joint Underwriting Association is created under the
 56 plan. The plan and the association:

57 (m) May cancel personal lines or commercial policies
 58 issued by the plan within the first 60 days after the effective
 59 date of the policy or binder for nonpayment of premium if the
 60 check issued for payment of the premium is dishonored for any
 61 reason or if any other form of payment is rejected or deemed
 62 invalid. An insured may not cancel a policy or binder within the
 63 first 90 days after its effective date, or within a lesser
 64 period as required by the plan, except:

65 1. Upon total destruction of the insured motor vehicle;

66 2. Upon transfer of ownership of the insured motor
 67 vehicle; or

68 3. After purchase of another policy or binder covering the
 69 motor vehicle that was covered under the policy being canceled.

70 Section 2. Subsection (1) of section 627.4035, Florida
 71 Statutes, is amended to read:

72 627.4035 ~~Cash~~ Payment of premiums; claims.—

73 (1) (a) The premiums for insurance contracts issued in this
 74 state or covering risk located in this state shall be paid in
 75 cash consisting of coins, currency, checks, drafts, or money
 76 orders or by using a debit card, credit card, automatic
 77 electronic funds transfer, or payroll deduction plan. ~~By July 1,~~
 78 ~~2007,~~ Insurers issuing personal lines residential and commercial

79 | property policies shall provide a premium payment plan option to
80 | their policyholders which allows for a minimum of quarterly and
81 | semiannual payment of premiums. Insurers may, but are not
82 | required to, offer monthly payment plans. Insurers issuing such
83 | policies must submit their premium payment plan option to the
84 | office for approval before use.

85 | (b) If a payment of premium under this subsection by debit
86 | card, credit card, automatic electronic funds transfer, check,
87 | or draft is returned, is declined, or cannot be processed due to
88 | insufficient funds, the insurer may impose an insufficient funds
89 | fee of up to \$15 per occurrence pursuant to the policy terms.

90 | Section 3. Subsections (1), (2), and (3) of section
91 | 627.7283, Florida Statutes, are amended to read:

92 | 627.7283 Cancellation; return of unearned premium.—

93 | (1) If the insured cancels a policy of motor vehicle
94 | insurance, the insurer must mail or electronically transfer the
95 | unearned portion of any premium paid within 30 days after the
96 | effective date of the policy cancellation or receipt of notice
97 | or request for cancellation, whichever is later. This
98 | requirement applies to a cancellation initiated by an insured
99 | for any reason. However, the insured may elect to apply the
100 | unearned portion of any premium paid to unpaid balances of other
101 | policies with the same insurer or insurer group.

102 | (2) If an insurer cancels a policy of motor vehicle
103 | insurance, the insurer must mail or electronically transfer the
104 | unearned premium portion of any premium within 15 days after the

105 | effective date of the policy cancellation. However, the insured
 106 | may elect to apply the unearned portion of any premium paid to
 107 | unpaid balances of other policies with the same insurer or
 108 | insurer group.

109 | (3) If the unearned premium is not mailed, ~~or~~
 110 | electronically transferred, or applied to the unpaid balance of
 111 | other policies within the applicable period, the insurer must
 112 | pay to the insured 8 percent interest on the amount due. If the
 113 | unearned premium is not mailed or electronically transferred
 114 | within 45 days after the applicable period, the insured may
 115 | bring an action against the insurer pursuant to s. 624.155.

116 | Section 4. Subsection (7) of section 627.7295, Florida
 117 | Statutes, is amended to read:

118 | 627.7295 Motor vehicle insurance contracts.—

119 | (7) A policy of private passenger motor vehicle insurance
 120 | or a binder for such a policy may be initially issued in this
 121 | state only if, before the effective date of such binder or
 122 | policy, the insurer or agent has collected from the insured an
 123 | amount equal to 2 months' premium. An insurer, agent, or premium
 124 | finance company may not, directly or indirectly, take any action
 125 | resulting in the insured having paid from the insured's own
 126 | funds an amount less than the 2 months' premium required by this
 127 | subsection. This subsection applies without regard to whether
 128 | the premium is financed by a premium finance company or is paid
 129 | pursuant to a periodic payment plan of an insurer or an
 130 | insurance agent. This subsection does not apply if an insured or

131 member of the insured's family is renewing or replacing a policy
132 or a binder for such policy written by the same insurer or a
133 member of the same insurer group. This subsection does not apply
134 to an insurer that issues private passenger motor vehicle
135 coverage primarily to active duty or former military personnel
136 or their dependents. This subsection does not apply if all
137 policy payments are paid pursuant to a payroll deduction plan,
138 ~~or~~ an automatic electronic funds transfer payment plan from the
139 policyholder, or a recurring credit card or debit card agreement
140 with the insurer. This subsection and subsection (4) do not
141 apply if all policy payments to an insurer are paid pursuant to
142 an automatic electronic funds transfer payment plan from an
143 agent, a managing general agent, or a premium finance company
144 and if the policy includes, at a minimum, personal injury
145 protection pursuant to ss. 627.730-627.7405; motor vehicle
146 property damage liability pursuant to s. 627.7275; and bodily
147 injury liability in at least the amount of \$10,000 because of
148 bodily injury to, or death of, one person in any one accident
149 and in the amount of \$20,000 because of bodily injury to, or
150 death of, two or more persons in any one accident. This
151 subsection and subsection (4) do not apply if an insured has had
152 a policy in effect for at least 6 months, the insured's agent is
153 terminated by the insurer that issued the policy, and the
154 insured obtains coverage on the policy's renewal date with a new
155 company through the terminated agent.

156 Section 5. Paragraph (d) of subsection (5) of section

157 627.736, Florida Statutes, is amended to read:

158 627.736 Required personal injury protection benefits;
 159 exclusions; priority; claims.—

160 (5) CHARGES FOR TREATMENT OF INJURED PERSONS.—

161 (d) All statements and bills for medical services rendered
 162 by a physician, hospital, clinic, or other person or institution
 163 shall be submitted to the insurer on a properly completed
 164 Centers for Medicare and Medicaid Services (CMS) 1500 form, UB
 165 92 forms, or any other standard form approved by the office and
 166 ~~or~~ adopted by the commission for purposes of this paragraph. All
 167 billings for such services rendered by providers must, to the
 168 extent applicable, comply with the CMS 1500 form instructions,
 169 the American Medical Association CPT Editorial Panel, and the
 170 Healthcare Common Procedure Coding System (HCPCS); and must
 171 follow the Physicians' Current Procedural Terminology (CPT), the
 172 HCPCS in effect for the year in which services are rendered, or
 173 the ICD-9-CM for services rendered before October 1, 2015, or
 174 the ICD-10-CM for services rendered on or after October 1, 2015
 175 ~~follow the Physicians' Current Procedural Terminology (CPT) or~~
 176 ~~Healthcare Correct Procedural Coding System (HCPCS), or ICD-9 in~~
 177 ~~effect for the year in which services are rendered and comply~~
 178 ~~with the CMS 1500 form instructions, the American Medical~~
 179 ~~Association CPT Editorial Panel, and the HCPCS.~~ All providers,
 180 other than hospitals, must include on the applicable claim form
 181 the professional license number of the provider in the line or
 182 space provided for "Signature of Physician or Supplier,

183 Including Degrees or Credentials." In determining compliance
184 with applicable CPT and HCPCS coding, guidance shall be provided
185 by the Physicians' Current Procedural Terminology (CPT) or the
186 ~~Healthcare Correct Procedural Coding System (HCPCS)~~ in effect
187 for the year in which services were rendered, the Office of the
188 Inspector General, Physicians Compliance Guidelines, and other
189 authoritative treatises designated by rule by the Agency for
190 Health Care Administration. A statement of medical services may
191 not include charges for medical services of a person or entity
192 that performed such services without possessing the valid
193 licenses required to perform such services. For purposes of
194 paragraph (4) (b), an insurer is not considered to have been
195 furnished with notice of the amount of covered loss or medical
196 bills due unless the statements or bills comply with this
197 paragraph and are properly completed in their entirety as to all
198 material provisions, with all relevant information being
199 provided therein.

200 Section 6. Subsection (2) of section 627.739, Florida
201 Statutes, is amended to read:

202 627.739 Personal injury protection; optional limitations;
203 deductibles.—

204 (2) Insurers shall offer to each applicant and to each
205 policyholder, upon the renewal of an existing policy,
206 deductibles, in amounts of \$250, \$500, and \$1,000. The
207 deductible amount must be applied to 100 percent of the expenses
208 and losses covered under personal injury protection benefits

209 coverage issued pursuant to ~~described in~~ s. 627.736. If an
210 insurer has elected to apply the schedule of maximum charges
211 authorized under this chapter, the amount of expenses and losses
212 applicable to the deductible will be limited to 100 percent of
213 such authorized reimbursement limitations or fee schedules.
214 After the deductible is met, each insured is eligible to receive
215 up to \$10,000 in total benefits described in s. 627.736(1).
216 However, this subsection shall not be applied to reduce the
217 amount of any benefits received in accordance with s.
218 627.736(1) (c).

219 Section 7. Subsection (1) of section 627.744, Florida
220 Statutes, is amended to read:

221 627.744 ~~Required~~ Preinsurance inspection of private
222 passenger motor vehicles.—

223 (1) A private passenger motor vehicle insurance policy
224 providing physical damage coverage, including collision or
225 comprehensive coverage, may not be issued in this state unless
226 the insurer has inspected the motor vehicle in accordance with
227 this section or has opted out of the inspection required by this
228 section. An insurer opting out of the inspection must file a
229 manual rule with the office indicating that the insurer will not
230 be participating in the inspection program under this section
231 and will not require the preinsurance inspection of its
232 insureds' motor vehicles. An insurer that files such a manual
233 rule with the office may establish its own preinsurance
234 inspection program.

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Section 8. This act shall take effect July 1, 2016.