

1                   A bill to be entitled  
2           An act relating to automobile insurance; amending s.  
3           627.0651, F.S.; providing an exception to a provision  
4           that deems use of a single zip code as a rating  
5           territory for insurance rates to be unfairly  
6           discriminatory; requiring the Office of Insurance  
7           Regulation to ensure that rates or rate changes  
8           contained in certain rate filings are not excessive,  
9           inadequate, or unfairly discriminatory; amending s.  
10          627.311, F.S.; authorizing the Florida Automobile  
11          Joint Underwriting Association and a joint  
12          underwriting plan approved by the Office of Insurance  
13          Regulation to cancel personal lines or commercial  
14          policies within a specified time for nonpayment of  
15          premium due to certain reasons; prohibiting an insured  
16          from cancelling a policy or binder within a specified  
17          time except under certain conditions; amending s.  
18          627.7283, F.S.; authorizing an insured who cancels a  
19          policy to apply the unearned portion of any premium  
20          paid to unpaid balances of other policies with the  
21          same insurer or insurer group; amending s. 627.7295,  
22          F.S.; updating applicability language to include a  
23          reference to recurring credit card or debit card  
24          payments; authorizing additional forms of premium  
25          payment for motor vehicle insurance contracts;  
26          authorizing insurers to charge an insufficient funds

27 fee of up to a specified amount; amending s. 627.736,  
 28 F.S.; requiring that a certain standard form be  
 29 approved by the office and adopted by the Financial  
 30 Services Commission, rather than approved by the  
 31 office or adopted by the commission; revising  
 32 standards for compliance for specified billings for  
 33 medical services; specifying additional entities that  
 34 may receive reimbursement under the Florida Motor  
 35 Vehicle No-Fault Law regardless of whether they meet a  
 36 specified licensure requirement; providing an  
 37 effective date.

38

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

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41 Section 1. Subsection (8) of section 627.0651, Florida  
 42 Statutes, is amended to read:

43 627.0651 Making and use of rates for motor vehicle  
 44 insurance.—

45 (8) Rates are not unfairly discriminatory if averaged  
 46 broadly among members of a group; nor are rates unfairly  
 47 discriminatory even though they are lower than rates for  
 48 nonmembers of the group. However, such rates are unfairly  
 49 discriminatory if they are not actuarially measurable and  
 50 credible and sufficiently related to actual or expected loss and  
 51 expense experience of the group so as to assure that nonmembers  
 52 of the group are not unfairly discriminated against. Use of a

53 single United States Postal Service zip code as a rating  
54 territory shall be deemed unfairly discriminatory unless filed  
55 pursuant to paragraph (1) (a) and the justification for its rate  
56 incorporates sufficient actual or expected loss and loss  
57 adjustment expense experience so as to be actuarially sound. The  
58 office shall require that any rate filing resulting from the use  
59 of a single zip code as a rating territory does not contain a  
60 rate or rate change that is excessive, inadequate, or unfairly  
61 discriminatory.

62 Section 2. Paragraph (m) is added to subsection (3) of  
63 section 627.311, Florida Statutes, to read:

64 627.311 Joint underwriters and joint reinsurers; public  
65 records and public meetings exemptions.—

66 (3) The office may, after consultation with insurers  
67 licensed to write automobile insurance in this state, approve a  
68 joint underwriting plan for purposes of equitable apportionment  
69 or sharing among insurers of automobile liability insurance and  
70 other motor vehicle insurance, as an alternate to the plan  
71 required in s. 627.351(1). All insurers authorized to write  
72 automobile insurance in this state shall subscribe to the plan  
73 and participate therein. The plan shall be subject to continuous  
74 review by the office which may at any time disapprove the entire  
75 plan or any part thereof if it determines that conditions have  
76 changed since prior approval and that in view of the purposes of  
77 the plan changes are warranted. Any disapproval by the office  
78 shall be subject to the provisions of chapter 120. The Florida

79 Automobile Joint Underwriting Association is created under the  
 80 plan. The plan and the association:

81 (m) May cancel personal lines or commercial policies  
 82 issued by the plan within the first 60 days after the effective  
 83 date of the policy or binder for nonpayment of premium if the  
 84 check issued for payment of the premium is dishonored for any  
 85 reason or if any other form of payment is rejected or deemed  
 86 invalid. An insured may not cancel a policy or binder within the  
 87 first 90 days after its effective date, or within a lesser  
 88 period as required by the plan, except:

- 89 1. Upon total destruction of the insured motor vehicle;
- 90 2. Upon transfer of ownership of the insured motor  
 91 vehicle; or
- 92 3. After purchase of another policy or binder covering the  
 93 motor vehicle that was covered under the policy being canceled.

94 Section 3. Subsections (1), (2), and (3) of section  
 95 627.7283, Florida Statutes, are amended to read:

96 627.7283 Cancellation; return of unearned premium.—

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

105 policies with the same insurer or insurer group.

106 (2) If an insurer cancels a policy of motor vehicle  
 107 insurance, the insurer must mail or electronically transfer the  
 108 unearned premium portion of any premium within 15 days after the  
 109 effective date of the policy cancellation. However, the insured  
 110 may elect to apply the unearned portion of any premium paid to  
 111 unpaid balances of other policies with the same insurer or  
 112 insurer group.

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

120 Section 4. Subsection (7) of section 627.7295, Florida  
 121 Statutes, is amended, and subsection (9) is added to that  
 122 section, to read:

123 627.7295 Motor vehicle insurance contracts.—

124 (7) A policy of private passenger motor vehicle insurance  
 125 or a binder for such a policy may be initially issued in this  
 126 state only if, before the effective date of such binder or  
 127 policy, the insurer or agent has collected from the insured an  
 128 amount equal to 2 months' premium. An insurer, agent, or premium  
 129 finance company may not, directly or indirectly, take any action  
 130 resulting in the insured having paid from the insured's own

131 funds an amount less than the 2 months' premium required by this  
132 subsection. This subsection applies without regard to whether  
133 the premium is financed by a premium finance company or is paid  
134 pursuant to a periodic payment plan of an insurer or an  
135 insurance agent. This subsection does not apply if an insured or  
136 member of the insured's family is renewing or replacing a policy  
137 or a binder for such policy written by the same insurer or a  
138 member of the same insurer group. This subsection does not apply  
139 to an insurer that issues private passenger motor vehicle  
140 coverage primarily to active duty or former military personnel  
141 or their dependents. This subsection does not apply if all  
142 policy payments are paid pursuant to a payroll deduction plan,  
143 ~~or~~ an automatic electronic funds transfer payment plan from the  
144 policyholder, or a recurring credit card or debit card agreement  
145 with the insurer. This subsection and subsection (4) do not  
146 apply if all policy payments to an insurer are paid pursuant to  
147 an automatic electronic funds transfer payment plan from an  
148 agent, a managing general agent, or a premium finance company  
149 and if the policy includes, at a minimum, personal injury  
150 protection pursuant to ss. 627.730-627.7405; motor vehicle  
151 property damage liability pursuant to s. 627.7275; and bodily  
152 injury liability in at least the amount of \$10,000 because of  
153 bodily injury to, or death of, one person in any one accident  
154 and in the amount of \$20,000 because of bodily injury to, or  
155 death of, two or more persons in any one accident. This  
156 subsection and subsection (4) do not apply if an insured has had

157 a policy in effect for at least 6 months, the insured's agent is  
158 terminated by the insurer that issued the policy, and the  
159 insured obtains coverage on the policy's renewal date with a new  
160 company through the terminated agent.

161 (9) (a) In addition to the methods provided in s.  
162 627.4035(1), premium for motor vehicle insurance contracts  
163 issued in this state or covering risk located in this state may  
164 be paid in cash in the form of a draft or drafts.

165 (b) If payment of premium under this subsection by debit  
166 card, credit card, or automatic electronic funds transfer is  
167 returned, is declined, or cannot be processed due to  
168 insufficient funds, the insurer may impose an insufficient funds  
169 fee of up to \$15 per occurrence pursuant to the policy terms.

170 Section 5. Paragraphs (d) and (h) of subsection (5) of  
171 section 627.736, Florida Statutes, are amended to read:

172 627.736 Required personal injury protection benefits;  
173 exclusions; priority; claims.—

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

175 (d) All statements and bills for medical services rendered  
176 by a physician, hospital, clinic, or other person or institution  
177 shall be submitted to the insurer on a properly completed  
178 Centers for Medicare and Medicaid Services (CMS) 1500 form, UB  
179 92 forms, or any other standard form approved by the office and  
180 ~~or~~ adopted by the commission for purposes of this paragraph. All  
181 billings for such services rendered by providers must, to the  
182 extent applicable, comply with the CMS 1500 form instructions,

183 the American Medical Association CPT Editorial Panel, and the  
184 Healthcare Common Procedure Coding System (HCPCS); and must  
185 follow the Physicians' Current Procedural Terminology (CPT), the  
186 HCPCS in effect for the year in which services are rendered, and  
187 the International Classification of Diseases (ICD) adopted by  
188 the United States Department of Health and Human Services in  
189 effect for the year in which services are rendered ~~follow the~~  
190 ~~Physicians' Current Procedural Terminology (CPT) or Healthcare~~  
191 ~~Correct Procedural Coding System (HCPCS), or ICD-9 in effect for~~  
192 ~~the year in which services are rendered and comply with the CMS~~  
193 ~~1500 form instructions, the American Medical Association CPT~~  
194 ~~Editorial Panel, and the HCPCS.~~ All providers, other than  
195 hospitals, must include on the applicable claim form the  
196 professional license number of the provider in the line or space  
197 provided for "Signature of Physician or Supplier, Including  
198 Degrees or Credentials." In determining compliance with  
199 applicable CPT and HCPCS coding, guidance shall be provided by  
200 the ~~Physicians' Current Procedural Terminology (CPT)~~ or the  
201 ~~Healthcare Correct Procedural Coding System (HCPCS)~~ in effect  
202 for the year in which services were rendered, the Office of the  
203 Inspector General, Physicians Compliance Guidelines, and other  
204 authoritative treatises designated by rule by the Agency for  
205 Health Care Administration. A statement of medical services may  
206 not include charges for medical services of a person or entity  
207 that performed such services without possessing the valid  
208 licenses required to perform such services. For purposes of



209 paragraph (4) (b), an insurer is not considered to have been  
210 furnished with notice of the amount of covered loss or medical  
211 bills due unless the statements or bills comply with this  
212 paragraph and are properly completed in their entirety as to all  
213 material provisions, with all relevant information being  
214 provided therein.

215 (h) As provided in s. 400.9905, an entity excluded from  
216 the definition of a clinic shall be deemed a clinic and must be  
217 licensed under part X of chapter 400 in order to receive  
218 reimbursement under ss. 627.730-627.7405. However, this  
219 licensing requirement does not apply to:

220 1. An entity wholly owned by a physician licensed under  
221 chapter 458 or chapter 459, or by the physician and the spouse,  
222 parent, child, or sibling of the physician;

223 2. An entity wholly owned by a dentist licensed under  
224 chapter 466, or by the dentist and the spouse, parent, child, or  
225 sibling of the dentist;

226 3. An entity wholly owned by a chiropractic physician  
227 licensed under chapter 460, or by the chiropractic physician and  
228 the spouse, parent, child, or sibling of the chiropractic  
229 physician;

230 4. A hospital or ambulatory surgical center licensed under  
231 chapter 395;

232 5. An entity that wholly owns or is wholly owned, directly  
233 or indirectly, by a hospital or hospitals licensed under chapter  
234 395;

235           6. An entity that is a clinical facility affiliated with  
 236 an accredited medical school at which training is provided for  
 237 medical students, residents, or fellows; ~~or~~

238           7. An entity that is certified under 42 C.F.R. part 485,  
 239 subpart H; or

240           8. An entity that is owned by a publicly traded  
 241 corporation, either directly or indirectly through its  
 242 subsidiaries, that has \$250 million or more in total annual  
 243 sales of health care services provided by licensed health care  
 244 practitioners if one or more of the persons responsible for the  
 245 operations of the entity are health care practitioners who are  
 246 licensed in this state and who are responsible for supervising  
 247 the business activities of the entity and the entity's  
 248 compliance with state law for purposes of this section.

249           Section 6. This act shall take effect July 1, 2016.