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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/26/2017	.	
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The Committee on Appropriations (Brandes) recommended the following:

1 **Senate Amendment to Amendment (167518) (with title**
2 **amendment)**

3
4 Between lines 566 and 567
5 insert:

6 Section 11. Effective January 1, 2019, section 627.744,
7 Florida Statutes, is amended to read:

8 627.744 ~~Required~~ Preinsurance inspection of private
9 passenger motor vehicles.—

10 (1) A private passenger motor vehicle insurance policy



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11 providing physical damage coverage, including collision or
12 comprehensive coverage, may not be issued in this state unless
13 the insurer has inspected the motor vehicle in accordance with
14 this section.

15 (2) This section does not apply:

16 (a) To a policy for a policyholder who has been insured for
17 2 years or longer, without interruption, under a private
18 passenger motor vehicle policy that provides physical damage
19 coverage for any vehicle if the agent of the insurer verifies
20 the previous coverage.

21 (b) To a new, unused motor vehicle purchased or leased from
22 a licensed motor vehicle dealer or leasing company. The insurer
23 may require:

24 1. A bill of sale, buyer's order, or lease agreement that
25 contains a full description of the motor vehicle; or

26 2. A copy of the title or registration that establishes
27 transfer of ownership from the dealer or leasing company to the
28 customer and a copy of the window sticker.

29
30 For the purposes of this paragraph, the physical damage coverage
31 on the motor vehicle may not be suspended during the term of the
32 policy due to the applicant's failure to provide or the
33 insurer's option not to require the documents. However, if the
34 insurer requires a document under this paragraph at the time the
35 policy is issued, payment of a claim may be conditioned upon the
36 receipt by the insurer of the required documents, and no
37 physical damage loss occurring after the effective date of the
38 coverage may be payable until the documents are provided to the
39 insurer.



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40 (c) To a temporary substitute motor vehicle.

41 (d) To a motor vehicle which is leased for less than 6
42 months, if the insurer receives the lease or rental agreement
43 containing a description of the leased motor vehicle, including
44 its condition. Payment of a physical damage claim is conditioned
45 upon receipt of the lease or rental agreement.

46 (e) To a vehicle that is 10 years old or older, as
47 determined by reference to the model year.

48 (f) To any renewal policy.

49 (g) To a motor vehicle policy issued in a county with a
50 1988 estimated population of less than 500,000.

51 (h) To any other vehicle or policy exempted by rule of the
52 commission. The commission may base a rule under this paragraph
53 only on a determination that the likelihood of a fraudulent
54 physical damage claim is remote or that the inspection would
55 cause a serious hardship to the insurer or the applicant.

56 (i) When the insurer's authorized inspection service has no
57 inspection facility either in the municipality in which the
58 automobile is principally garaged or within 10 miles of such
59 municipality.

60 (j) When the insured vehicle is insured under a
61 commercially rated policy that insures five or more vehicles.

62 (k) When an insurance producer is transferring a book of
63 business from one insurer to another.

64 (l) When an individual insured's coverage is being
65 transferred and initiated by a producer to a new insurer.

66 ~~(3) This subsection does not prohibit an insurer from~~
67 ~~requiring a preinsurance inspection of any motor vehicle as a~~
68 ~~condition of issuance of physical damage coverage.~~



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69 (3)~~(4)~~ The inspection required by this section shall be
70 provided by the insurer or by a person or organization
71 authorized by the insurer. The applicant may be required to pay
72 the cost of the inspection, not to exceed \$5. The inspection
73 shall be recorded on a form prescribed by the commission, and
74 the form or a copy shall be retained by the insurer with its
75 policy records for the insured. The insurer shall provide a copy
76 of the form to the insured upon request. Any inspection fee paid
77 directly by the applicant may not be considered part of the
78 premium. However, an insurer that provides the inspection at no
79 cost to the applicant may include the expense of the inspection
80 within a rate filing.

81 (4)~~(5)~~ The inspection shall include at least the following:

82 (a) Taking a physical imprint of the vehicle identification
83 number of the vehicle or otherwise recording the vehicle
84 identification number in a manner prescribed by the commission.

85 (b) Recording the presence of accessories required by the
86 commission to be recorded.

87 (c) Recording the locations of and a description of
88 existing damage to the vehicle.

89 (5)~~(6)~~ An insurer may defer an inspection for 30 calendar
90 days following the effective date of coverage for a new policy,
91 but not for a renewal policy, and for additional or replacement
92 vehicles to an existing policy, if an inspection at the time of
93 the request for coverage would create a serious inconvenience
94 for the applicant and such hardship is documented in the
95 insured's policy record.

96 (6)~~(7)~~ The commission may, by rule, establish such
97 procedures and notice requirements that it finds necessary to



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98 implement this section.

99 (7) Notwithstanding any other provision of this section, an
100 insurer may opt out of the inspection requirements of this
101 section. An insurer opting out of the inspection must file a
102 manual rule with the office indicating that the insurer will not
103 participate in the inspection program under this section. An
104 insurer that files such a manual rule with the office may
105 establish its own preinsurance inspection requirements as a
106 condition to issuing a private passenger motor vehicle insurance
107 policy. The insurer's preinsurance inspection requirements must
108 be included in the manual rule filed with the office. An insurer
109 opting out of the inspection requirements of this section may
110 not require an applicant to pay for the cost of an inspection.

111 ~~(8) The Division of Insurance Fraud of the Department of~~
112 ~~Financial Services shall provide a report of data from the~~
113 ~~required preinsurance inspection of motor vehicles to the~~
114 ~~Governor, the President of the Senate, and the Speaker of the~~
115 ~~House of Representatives by December 1, 2016.~~

116 ~~(a) The data must include, but need not be limited to:~~

117 ~~1. A written estimate of the total cost incurred by~~
118 ~~insurers and policyholders in order to comply with the~~
119 ~~inspections.~~

120 ~~2. A written estimate of the total cost incurred by~~
121 ~~insurers to have their motor vehicles inspected.~~

122 ~~3. Documentation regarding the total premium savings for~~
123 ~~policyholders as a result of the inspections.~~

124 ~~4. Documentation of the total number of inspected motor~~
125 ~~vehicles that had a preexisting condition.~~

126 ~~5. Documentation regarding the potential fraud in motor~~



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127 ~~vehicle claims incurred within the first 125 days after issuance~~
128 ~~of a new policy.~~

129 ~~6. Documentation of the total number of referrals of~~
130 ~~fraudulent acts to the National Insurance Crime Bureau by~~
131 ~~preinsurance inspectors during the past 5 years.~~

132 ~~(b) The Legislature may use the report data in determining~~
133 ~~the future public necessity for this section.~~

134

135 ===== T I T L E A M E N D M E N T =====

136 And the title is amended as follows:

137 Delete line 656

138 and insert:

139 statements to include contact information; amending s.
140 627.744, F.S.; deleting a provision that provides
141 construction; authorizing insurers to opt out of the
142 preinsurance inspection requirements for private
143 passenger motor vehicles; requiring insurers opting
144 out to file a certain manual rule with the Office of
145 Insurance Regulation; authorizing such insurers to
146 establish their own preinsurance inspection
147 requirements, which must be included in the filed
148 manual rule; prohibiting such insurers from requiring
149 applicants to pay for the cost of inspections;
150 deleting an obsolete provision; amending s.