

By the Committee on Banking and Insurance; and Senator Perry

597-02422-17

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1 A bill to be entitled
2 An act relating to insurance policy transfers;
3 amending s. 627.4133, F.S.; authorizing an insurer to
4 transfer a personal lines residential or commercial
5 residential property insurance policy to another
6 authorized insurer upon expiration of the policy term
7 if specified conditions are met; providing an
8 effective date.

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

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12 Section 1. Subsection (8) of section 627.4133, Florida
13 Statutes, is amended to read:

14 627.4133 Notice of cancellation, nonrenewal, or renewal
15 premium.—

16 (8) Upon expiration of the policy term, an insurer may
17 transfer a personal lines residential, commercial residential,
18 or commercial lines policy to another authorized insurer that is
19 a member of the same group or owned by the same holding company
20 as the transferring insurer. The transfer constitutes a renewal
21 of the policy and may not be treated as a cancellation or a
22 nonrenewal of the policy. The insurer must provide notice of its
23 intent to transfer the policy at least 45 days before the
24 effective date of the transfer along with the financial rating
25 of the authorized insurer to which the policy is being
26 transferred. Such notice may be provided in the notice of
27 renewal premium. This subsection does not apply to a policy
28 providing personal lines residential or commercial residential
29 property insurance coverage, except for farmowners insurance,

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30 unless:

31 (a) The authorized insurer to which the policy is being
32 transferred is admitted in this state and other states and
33 writing residential property insurance in such states, is not
34 converting the policy to a surplus lines policy, and has been
35 determined by the office to have the same or better financial
36 strength than the transferring insurer;

37 (b) The transfer results in substantially similar coverage;

38 (c) The authorized insurer to which the policy is being
39 transferred provides a notice of change in policy terms to the
40 policyholder in compliance with s. 627.43141, which must also
41 include notice of the policy transfer and the authorized
42 insurer's financial rating. Such notice must be provided with
43 the notice of renewal premium. The notice and information
44 provided under this paragraph must be provided to the insured at
45 least 60 days before the effective date of the transfer and may
46 replace any other notice required by this subsection;

47 (d) The policyholder of the policy being transferred has
48 been selected on a nondiscriminatory basis; and

49 (e) The office has approved the transfer ~~and commercial~~
50 general liability policies providing farm coverage ~~or commercial~~
51 property policies providing farm coverage.

52 Section 2. This act shall take effect July 1, 2017.