By the Committees on Banking and Insurance; Judiciary; and Banking and Insurance; and Senators Brandes and Bracy

A bill to be entitled
An act relating to insurance; providing a short title; amending s. 215.555, F.S.; increasing the required reimbursement of loss adjustment expenses in reimbursement contracts between the State Board of Administration and property insurers under the Florida Hurricane Catastrophe Fund; amending s. 319.30, F.S.; specifying means by which an insurance company may forward certificates of title of certain salvage motor vehicles or mobile homes to the Department of Highway Safety and Motor Vehicles; revising the effective date of certain procedures and requirements relating to certificates of title; providing that certain electronic signatures satisfy certain signature requirements; amending s. 440.381, F.S.; revising a criminal penalty for the submission, with certain intent, of an employer application for workers’ compensation insurance coverage which contains false, misleading, or incomplete information; providing that certain sworn statements in such applications are not required to be notarized; creating s. 624.1055, F.S.; providing a right of contribution among insurers for defense costs under certain circumstances; providing a requirement for, and authorizing the use of certain factors by, a court in allocating costs; providing a cause of action to enforce the right of contribution; providing construction and applicability; amending s. 624.155, F.S.; deleting a provision that tolls, under certain circumstances, a period before a civil action...
against an insurer may be brought; deleting a
provision authorizing the Department of Financial
Services to return a civil remedy notice for lack of
specificity; prohibiting the filing of the notice
within a certain timeframe under certain
circumstances; amending s. 624.404, F.S.; adding a
circumstance under which the Office of Insurance
Regulation may waive a 3-year operation requirement
for foreign or alien insurers and exchanges; amending
s. 624.4085, F.S.; specifying the applicable formula
for determining risk-based capital of certain health
maintenance organizations and prepaid limited health
service organizations; amending s. 626.914, F.S.;
revising the definition of the term “diligent effort”
as used in the Surplus Lines Law; amending s. 627.062,
F.S.; specifying applicable rate standards and
requirements for certain personal lines residential
property insurance; creating s. 627.1711, F.S.;
providing a limitation on certain personal lines
residential property insurance policies that may be
written or renewed by an insurer each calendar year;
amending s. 627.4102, F.S.; providing an exemption, if
certain conditions are met, from a form approval
process for certain personal lines residential
property insurance forms; amending s. 626.916, F.S.;
specifying applicable requirements before certain
personal lines residential property insurance may be
exported; deleting a limit on fees charged by filing
surplus lines agents per policy certified for export;
authorizing retail agents to charge reasonable fees for placing surplus lines policies; specifying requirements for itemizing and enumerating fees; amending s. 626.9541, F.S.; providing that insurers and agents may give insureds certain free or discounted loss mitigation services or loss control items; deleting a limitation on the value of loss mitigation services that may be given to insureds; amending s. 627.0655, F.S.; revising circumstances under which insurers or certain authorized persons may provide certain premium discounts to insureds; amending s. 627.426, F.S.; adding means by which liability insurers may provide to named insureds certain notices relating to coverage denials based on a particular coverage defense; amending s. 627.4555, F.S.; requiring life insurers that are required to provide a specified notice to policyowners of an impending lapse in coverage to also notify the policyowner’s agent of record within a certain timeframe; providing that the agent is not responsible for any lapse in coverage; exempting the insurer from the requirement under certain circumstances; amending s. 627.7015, F.S.; adding circumstances under which certain property insurers may provide required notice to policyholders of their right to participate in a certain mediation program; amending s. 627.7295, F.S.; reducing the collected premium required before private passenger motor vehicle insurance policies or binders may be initially issued; amending s. 921.0022, F.S.;
conforming a provision to changes made by the act;
providing effective dates.

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

Section 1. This act may be cited as “Omnibus Prime.”

Section 2. Effective upon this act becoming a law,
paragraph (b) of subsection (4) of section 215.555, Florida
Statutes, is amended to read:

215.555 Florida Hurricane Catastrophe Fund.—
(4) REIMBURSEMENT CONTRACTS.—
(b)1. The contract shall contain a promise by the board to
reimburse the insurer for 45 percent, 75 percent, or 90 percent
of its losses from each covered event in excess of the insurer’s
retention, plus 5 percent of the reimbursed losses to cover loss
adjustment expenses. For contracts and rates effective on or
after June 1, 2019, the loss adjustment expense reimbursement
must be 10 percent of the reimbursed losses.

2. The insurer must elect one of the percentage coverage
levels specified in this paragraph and may, upon renewal of a
reimbursement contract, elect a lower percentage coverage level
if no revenue bonds issued under subsection (6) after a covered
event are outstanding, or elect a higher percentage coverage
level, regardless of whether or not revenue bonds are
outstanding. All members of an insurer group must elect the same
percentage coverage level. Any joint underwriting association,
risk apportionment plan, or other entity created under s.
627.351 must elect the 90-percent coverage level.

3. The contract shall provide that reimbursement amounts
shall not be reduced by reinsurance paid or payable to the
insurer from other sources.

Section 3. Paragraph (b) of subsection (3) of section
319.30, Florida Statutes, is amended, and paragraph (d) is added
to that section, to read:

319.30 Definitions; dismantling, destruction, change of
identity of motor vehicle or mobile home; salvage.—
(3)
(b) The owner, including persons who are self-insured, of a
motor vehicle or mobile home that is considered to be salvage
shall, within 72 hours after the motor vehicle or mobile home
becomes salvage, forward the title to the motor vehicle or
mobile home to the department for processing. However, an
insurance company that pays money as compensation for the total
loss of a motor vehicle or mobile home shall obtain the
certificate of title for the motor vehicle or mobile home, make
the required notification to the National Motor Vehicle Title
Information System, and, within 72 hours after receiving such
certificate of title, forward such title by electronic means,
the United States Postal Service, or another commercially
available delivery service to the department for processing. The
owner or insurance company, as applicable, may not dispose of a
vehicle or mobile home that is a total loss before it obtains a
salvage certificate of title or certificate of destruction from
the department. Effective July 1, 2020 July 1, 2023:
1. Thirty days after payment of a claim for compensation
pursuant to this paragraph, the insurance company may receive a
salvage certificate of title or certificate of destruction from
the department if the insurance company is unable to obtain a

CODING: Words stricken are deletions; words underlined are additions.
properly assigned certificate of title from the owner or
lienholder of the motor vehicle or mobile home, if the motor
vehicle or mobile home does not carry an electronic lien on the
title and the insurance company:
   a. Has obtained the release of all liens on the motor
vehicle or mobile home;
   b. Has provided proof of payment of the total loss claim;
   and
   c. Has provided an affidavit on letterhead signed by the
insurance company or its authorized agent stating the attempts
that have been made to obtain the title from the owner or
lienholder and further stating that all attempts are to no
avail. The affidavit must include a request that the salvage
certificate of title or certificate of destruction be issued in
the insurance company’s name due to payment of a total loss
claim to the owner or lienholder. The attempts to contact the
owner may be by written request delivered in person or by first-
class mail with a certificate of mailing to the owner’s or
lienholder’s last known address.
   2. If the owner or lienholder is notified of the request
for title in person, the insurance company must provide an
affidavit attesting to the in-person request for a certificate
of title.
   3. The request to the owner or lienholder for the
certificate of title must include a complete description of the
motor vehicle or mobile home and the statement that a total loss
claim has been paid on the motor vehicle or mobile home.
   (d) An electronic signature that is in accordance with
chapter 668 satisfies any signature requirement under this
subsection.

Section 4. Subsection (2) of section 440.381, Florida Statutes, is amended to read:

440.381 Application for coverage; reporting payroll; payroll audit procedures; penalties.—

(2) Submission of an application that contains false, misleading, or incomplete information provided with the purpose of avoiding or reducing the amount of premiums for workers' compensation coverage is a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084. The application must contain a statement that the filing of an application containing false, misleading, or incomplete information provided with the purpose of avoiding or reducing the amount of premiums for workers’ compensation coverage is a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084. The application must contain a sworn statement by the employer attesting to the accuracy of the information submitted and acknowledging the provisions of former s. 440.37(4). The application must contain a sworn statement by the agent attesting that the agent explained to the employer or officer the classification codes that are used for premium calculations. The sworn statements by the employer and the agent are not required to be notarized.

Section 5. Section 624.1055, Florida Statutes, is created to read:

624.1055 Right of contribution among insurers for defense costs.—A liability insurer that owes a duty to defend an insured and that defends the insured against a claim, suit, or other action has a right of contribution for defense costs against any...
other liability insurer that owes a duty to defend the insured
against the same claim, suit, or other action, provided that
contribution may not be sought from any insurer for defense
costs incurred before the insurer’s receipt of notice of the
claim, suit, or other action.

(1) APPORTIONMENT OF COSTS.—The court shall allocate
defense costs among insurers that owe a duty to defend the
insured against the same claim, suit, or other action in
accordance with the terms of the insurance policies. The court
may use such equitable factors as the court determines are
appropriate in making such allocation.

(2) ENFORCEMENT OF RIGHT OF CONTRIBUTION.—A liability
insurer that is entitled to contribution from another insurer
under this section may file an action for contribution in a
court of competent jurisdiction.

(3) CONSTRUCTION.—
(a) This section is not intended to alter any term of a
liability insurance policy or to create any additional duty on
the part of an insurer to an insured.
(b) An insured may not rely on this section as grounds for
a complaint against an insurer.

(4) APPLICABILITY.—
(a) This section applies to liability insurance policies
issued for delivery in this state or to liability insurance
policies under which an insurer has a duty to defend an insured
against claims asserted or suits or actions filed in this state.
Such liability insurance policies include surplus lines
insurance policies authorized under the Surplus Lines Law, ss.
626.913-626.937. This section does not apply to motor vehicle
liability insurance or medical professional liability insurance.

(b) This section applies to any claim, suit, or other action initiated on or after January 1, 2020.

Section 6. Subsection (3) of section 624.155, Florida Statutes, is amended to read:

624.155 Civil remedy.—

(3)(a) As a condition precedent to bringing an action under this section, the department and the authorized insurer must have been given 60 days' written notice of the violation. If the department returns a notice for lack of specificity, the 60-day time period shall not begin until a proper notice is filed.

(b) The notice shall be on a form provided by the department and shall state with specificity the following information, and such other information as the department may require:

1. The statutory provision, including the specific language of the statute, which the authorized insurer allegedly violated.

2. The facts and circumstances giving rise to the violation.

3. The name of any individual involved in the violation.

4. Reference to specific policy language that is relevant to the violation, if any. If the person bringing the civil action is a third party claimant, she or he shall not be required to reference the specific policy language if the authorized insurer has not provided a copy of the policy to the third party claimant pursuant to written request.

5. A statement that the notice is given in order to perfect the right to pursue the civil remedy authorized by this section.

(c) Within 20 days of receipt of the notice, the department...
may return any notice that does not provide the specific
information required by this section, and the department shall
indicate the specific deficiencies contained in the notice. A
determination by the department to return a notice for lack of
specificity shall be exempt from the requirements of chapter
120.

(c) (d) No action shall lie if, within 60 days after filing
notice, the damages are paid or the circumstances giving rise to
the violation are corrected.

(d) (e) The authorized insurer that is the recipient of a
notice filed pursuant to this section shall report to the
department on the disposition of the alleged violation.

(e) (f) The applicable statute of limitations for an action
under this section shall be tolled for a period of 65 days by
the mailing of the notice required by this subsection or the
mailing of a subsequent notice required by this subsection.

(f) A notice required under this subsection may not be
filed within 60 days after appraisal is invoked by any party in
a residential property insurance claim.

Section 7. Subsection (2) of section 624.404, Florida
Statutes, is amended to read:

624.404 General eligibility of insurers for certificate of
authority.—To qualify for and hold authority to transact
insurance in this state, an insurer must be otherwise in
compliance with this code and with its charter powers and must
be an incorporated stock insurer, an incorporated mutual
insurer, or a reciprocal insurer, of the same general type as
may be formed as a domestic insurer under this code; except
that:
(2) A foreign or alien insurer or exchange may not be authorized to transact insurance in this state unless it is otherwise qualified therefor under this code and has operated satisfactorily for at least 3 years in its state or country of domicile; however, the office may waive the 3-year requirement if the foreign or alien insurer or exchange:

(a) Has operated successfully and has capital and surplus of $5 million;

(b) Is the wholly owned subsidiary of an insurer which is an authorized insurer in this state;

(c) Is the successor in interest through merger or consolidation of an authorized insurer; or

(d) Provides a product or service not readily available to the consumers of this state; or

(e) Possesses sufficient capital and surplus to support its plan of operation as filed with the office.

Section 8. Paragraphs (d) and (e) of subsection (2) of section 624.4085, Florida Statutes, are amended, and paragraph (g) of subsection (1) of that section is republished, to read:

624.4085 Risk-based capital requirements for insurers.—

(1) As used in this section, the term:

(g) “Life and health insurer” means an insurer authorized or eligible under the Florida Insurance Code to underwrite life or health insurance. The term includes a property and casualty insurer that writes accident and health insurance only. Effective January 1, 2015, the term also includes a health maintenance organization that is authorized in this state and one or more other states, jurisdictions, or countries and a prepaid limited health service organization that is authorized
in this state and one or more other states, jurisdictions, or countries.

(2)

(d) A life and health insurer’s risk-based capital is determined in accordance with the formula set forth in the risk-based capital instructions. The formula takes into account and may adjust for the covariance between:

1. The risk with respect to the insurer’s assets;
2. The risk of adverse insurance experience with respect to the insurer’s liabilities and obligations;
3. The interest rate risk with respect to the insurer’s business; and
4. Any other business or other relevant risk set out in the risk-based capital instructions,
determined in each case by applying the factors in the manner set forth in the risk-based capital instructions. This paragraph does not apply to a health maintenance organization or a prepaid limited health service organization.

(e) The risk-based capital of a property and casualty insurer, and, if a health maintenance organization or prepaid limited health service organization is subject to this section pursuant to paragraph (1)(g), the risk-based capital of such organization, insurer’s risk-based capital is determined in accordance with the formula set forth in the risk-based capital instructions. The formula takes into account and may adjust for the covariance between:

1. The asset risk;
2. The credit risk;
3. The underwriting risk; and

4. Any other business or other relevant risk set out in the risk-based capital instructions,

determined in each case by applying the factors in the manner set forth in the risk-based capital instructions.

Section 9. Subsection (4) of section 626.914, Florida Statutes, is amended to read:

626.914 Definitions.—As used in this Surplus Lines Law, the term:

(4) “Diligent effort” means seeking coverage from and having been rejected by at least three authorized insurers currently writing this type of coverage and documenting these rejections. However, if the residential structure has a dwelling replacement cost of $700,000 or more, the term means seeking coverage from and having been rejected by at least one authorized insurer currently writing this type of coverage and documenting this rejection.

Section 10. Paragraph (d) of subsection (3) of section 627.062, Florida Statutes, is amended to read:

627.062 Rate standards.—

(3)

(d)1. Personal lines residential property insurance with a dwelling replacement limit of $700,000 or more which is written or renewed pursuant to s. 627.1711 and the following categories or kinds of insurance and types of commercial lines risks are not subject to paragraph (2)(a) or paragraph (2)(f):

a. Excess or umbrella.

b. Surety and fidelity.
c. Boiler and machinery and leakage and fire extinguishing equipment.

d. Errors and omissions.

e. Directors and officers, employment practices, fiduciary liability, and management liability.

f. Intellectual property and patent infringement liability.

g. Advertising injury and Internet liability insurance.

h. Property risks rated under a highly protected risks rating plan.

i. General liability.

j. Nonresidential property, except for collateral protection insurance as defined in s. 624.6085.

k. Nonresidential multiperil.

l. Excess property.

m. Burglary and theft.

n. Travel insurance, if issued as a master group policy with a situs in another state where each certificateholder pays less than $30 in premium for each covered trip and where the insurer has written less than $1 million in annual written premiums in the travel insurance product in this state during the most recent calendar year.

o. Medical malpractice for a facility that is not a hospital licensed under chapter 395, a nursing home licensed under part II of chapter 400, or an assisted living facility licensed under part I of chapter 429.

p. Medical malpractice for a health care practitioner who is not a dentist licensed under chapter 466, a physician licensed under chapter 458, an osteopathic physician licensed under chapter 459, a chiropractic physician licensed under
chapter 460, a podiatric physician licensed under chapter 461, a pharmacist licensed under chapter 465, or a pharmacy technician registered under chapter 465.

q. Any other commercial lines categories or kinds of insurance or types of commercial lines risks that the office determines should not be subject to paragraph (2)(a) or paragraph (2)(f) because of the existence of a competitive market for such insurance or similarity of such insurance to other categories or kinds of insurance not subject to paragraph (2)(a) or paragraph (2)(f), or to improve the general operational efficiency of the office.

2. Insurers or rating organizations shall establish and use rates, rating schedules, or rating manuals to allow the insurer a reasonable rate of return on insurance and risks described in subparagraph 1. which are written in this state.

3. An insurer shall notify the office of any changes to rates for insurance and risks described in subparagraph 1. within 30 days after the effective date of the change. The notice must include the name of the insurer, the type or kind of insurance subject to rate change, and the average statewide percentage change in rates. Actuarial data with regard to rates for such risks must be maintained by the insurer for 2 years after the effective date of changes to those rates and are subject to examination by the office. The office may require the insurer to incur the costs associated with an examination. Upon examination, the office, in accordance with generally accepted and reasonable actuarial techniques, shall consider the rate factors in paragraphs (2)(b), (c), and (d) and the standards in paragraph (2)(e) to determine if the rate is excessive,
4. A rating organization shall notify the office of any changes to loss cost for insurance and risks described in subparagraph 1. within 30 days after the effective date of the change. The notice must include the name of the rating organization, the type or kind of insurance subject to a loss cost change, loss costs during the immediately preceding year for the type or kind of insurance subject to the loss cost change, and the average statewide percentage change in loss cost. Actuarial data with regard to changes to loss cost for risks not subject to paragraph (2)(a) or paragraph (2)(f) must be maintained by the rating organization for 2 years after the effective date of the change and are subject to examination by the office. The office may require the rating organization to incur the costs associated with an examination. Upon examination, the office, in accordance with generally accepted and reasonable actuarial techniques, shall consider the rate factors in paragraphs (2)(b)-(d) and the standards in paragraph (2)(e) to determine if the rate is excessive, inadequate, or unfairly discriminatory.

Section 11. Section 627.1711, Florida Statutes, is created to read:

627.1711 Alternative personal lines residential property insurance rates.—In each calendar year, the sum of personal lines residential property insurance policies issued or renewed by an insurer using rates established under s. 627.062(3)(d) plus personal lines residential property insurance policies issued or renewed using rates established under s. 627.171 may not exceed 5 percent of all personal lines residential insurance...
policies written or renewed by the insurer.

Section 12. Subsection (1) of section 627.4102, Florida Statutes, is amended to read:

627.4102 Informational filing of forms.—

(1) Property and casualty forms, except workers’ compensation and personal lines forms, but including residential property insurance with rates established pursuant to s. 627.062(3)(d), are exempt from the approval process required under s. 627.410 if:

(a) The form has been electronically submitted to the office in an informational filing made through I-File 30 days before the delivery or issuance for delivery of the form within this state; and

(b) At the time the informational filing is made, a notarized certification is attached to the filing that certifies that each form within the filing is in compliance with all applicable state laws and rules. The certification must be on the insurer’s letterhead and signed and dated by the insurer’s president, chief executive officer, general counsel, or an employee of the insurer responsible for the filing on behalf of the insurer. The certification must contain the following statement, and no other language: “I, ...(name)..., as ...(title)... of ...(insurer name)..., do hereby certify that this form filing has been thoroughly and diligently reviewed by me and by all appropriate company personnel, as well as company consultants, if applicable, and certify that each form contained within the filing is in compliance with all applicable Florida laws and rules. Should a form be found not to be in compliance with Florida laws and rules, I acknowledge that the Office of
Insurance Regulation shall disapprove the form.”

Section 13. Paragraph (b) of subsection (3) and subsection (4) of section 626.916, Florida Statutes, are amended, and subsection (5) is added to that section, to read:

626.916 Eligibility for export.—

(3)

(b) Except for personal lines insurance covering a residential structure that has a dwelling replacement cost of $700,000 or more, paragraphs (1)(a)-(d) do not apply to classes of insurance which are subject to s. 627.062(3)(d)1. These classes may be exportable under the following conditions:

1. The insurance must be placed only by or through a surplus lines agent licensed in this state;

2. The insurer must be made eligible under s. 626.918; and

3. The insured must sign a disclosure that substantially provides the following: “You are agreeing to place coverage in the surplus lines market. Superior coverage may be available in the admitted market and at a lesser cost. Persons insured by surplus lines carriers are not protected under the Florida Insurance Guaranty Act with respect to any right of recovery for the obligation of an insolvent unlicensed insurer.” If the notice is signed by the insured, the insured is presumed to have been informed and to know that other coverage may be available, and, with respect to the diligent-effort requirement under subsection (1), there is no liability on the part of, and no cause of action arises against, the retail agent presenting the form.

(4) A reasonable per-policy fee, not to exceed $35, may be charged by the filing surplus lines agent for each policy.
certified for export. The per-policy fee must be itemized separately to the customer before purchase and must be enumerated in the policy.

(5) A retail agent may charge a reasonable per-policy fee for placement of a surplus lines policy under this section. The per-policy fee must be itemized separately to the customer before purchase.

Section 14. Paragraph (m) of subsection (1) of section 626.9541, Florida Statutes, is amended to read:

626.9541 Unfair methods of competition and unfair or deceptive acts or practices defined.—

(1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE ACTS.—The following are defined as unfair methods of competition and unfair or deceptive acts or practices:

(m) Permissible advertising and promotional gifts, and charitable contributions, and loss mitigation services or loss control items permitted.—

1. The provisions of Paragraph (f), paragraph (g), or paragraph (h) do not prohibit a licensed insurer or its agent from:

a. Giving to insureds, prospective insureds, or others any article of merchandise, goods, wares, store gift cards, gift certificates, event tickets, anti-fraud or loss mitigation services, or other items having a total value of $100 or less per insured or prospective insured in any calendar year.

b. Making charitable contributions, as defined in s. 170(c) of the Internal Revenue Code, on behalf of insureds or prospective insureds, of up to $100 per insured or prospective insured in any calendar year.
c. Giving to insureds, for free or at a discounted price, loss mitigation services or loss control items of value that relate to the risks covered under the policy.

2. The provisions of Paragraph (f), paragraph (g), or paragraph (h) do not prohibit a title insurance agent or title insurance agency, as those terms are defined in s. 626.841, or a title insurer, as defined in s. 627.7711, from giving to insureds, prospective insureds, or others, for the purpose of advertising, any article of merchandise having a value of not more than $25. A person or entity governed by this subparagraph is not subject to subparagraph 1.

Section 15. Section 627.0655, Florida Statutes, is amended to read:

627.0655 Policyholder loss or expense-related premium discounts.—An insurer or person authorized to engage in the business of insurance in this state may include, in the premium charged an insured for any policy, contract, or certificate of insurance, an actuarially sound discount based on the fact that another policy, contract, or certificate of any type has been purchased by the insured from:

1. The same insurer or insurer group, or another insurer under a joint marketing agreement;

2. The Citizens Property Insurance Corporation created under s. 627.351(6), if the same insurance agent is servicing both policies; or

3. An insurer that has removed the policy from the Citizens Property Insurance Corporation or issued a policy pursuant to the clearinghouse program under s. 627.3518, if the same insurance agent is servicing both policies; or
(4) An insurer, if the same insurance agent is servicing the policies.

Section 16. Subsection (2) of section 627.426, Florida Statutes, is amended to read:

627.426 Claims administration.—

(2) A liability insurer shall not be permitted to deny coverage based on a particular coverage defense unless:

(a) Within 30 days after the liability insurer knew or should have known of the coverage defense, written notice of reservation of rights to assert a coverage defense is given to the named insured by United States postal proof of mailing, registered or certified mail, or other mailing using the Intelligent Mail barcode or other similar tracking method used or approved by the United States Postal Service, sent to the last known address of the insured, or by hand delivery; and

(b) Within 60 days of compliance with paragraph (a) or receipt of a summons and complaint naming the insured as a defendant, whichever is later, but in no case later than 30 days before trial, the insurer:

1. Gives written notice to the named insured by United States postal proof of mailing, registered or certified mail, or other mailing using the Intelligent Mail barcode or other similar tracking method used or approved by the United States Postal Service, of its refusal to defend the insured;

2. Obtains from the insured a nonwaiver agreement following full disclosure of the specific facts and policy provisions upon which the coverage defense is asserted and the duties, obligations, and liabilities of the insurer during and following the pendency of the subject litigation; or
3. Retains independent counsel which is mutually agreeable to the parties. Reasonable fees for the counsel may be agreed upon between the parties or, if no agreement is reached, shall be set by the court.

Section 17. Section 627.4555, Florida Statutes, is amended to read:

627.4555 Secondary notice.—

(1) Except as provided in this section, a contract for life insurance issued or issued for delivery in this state on or after October 1, 1997, covering a natural person 64 years of age or older, which has been in force for at least 1 year, may not be lapsed for nonpayment of premium unless, after expiration of the grace period, and at least 21 days before the effective date of any such lapse, the insurer has mailed a notification of the impending lapse in coverage to the policyowner and to a specified secondary addressee if such addressee has been designated in writing by name and address by the policyowner. An insurer issuing a life insurance contract on or after October 1, 1997, shall notify the applicant of the right to designate a secondary addressee at the time of application for the policy, on a form provided by the insurer, and at any time the policy is in force, by submitting a written notice to the insurer containing the name and address of the secondary addressee. For purposes of any life insurance policy that provides a grace period of more than 51 days for nonpayment of premiums, the notice of impending lapse in coverage required by this section must be mailed to the policyowner and the secondary addressee at least 21 days before the expiration of the grace period provided in the policy. This section does not apply to any life insurance.
contract under which premiums are payable monthly or more frequently and are regularly collected by a licensed agent or are paid by credit card or any preauthorized check processing or automatic debit service of a financial institution.

(2) If the policyowner has a life agent of record or any agent of record, the insurer must also notify the agent of the impending lapse in coverage or mail or send electronically a copy of the notification of the impending lapse in coverage under subsection (1) to the agent at least 21 days before the effective date of any such lapse. Receipt of such notice does not make the agent responsible for any lapse in coverage. An insurer is not required to notify the agent under this subsection if any of the following applies:

(a) The insurer maintains an online system that allows an agent to independently determine if a policy has lapsed.
(b) The insurer maintains a procedure that allows an agent to independently determine whether the notice of lapse has been sent to the insured.
(c) The insurer has no record of the current agent of record.
(d) The agent is employed by the insurer or an affiliate of the insurer.

Section 18. Subsection (2) of section 627.7015, Florida Statutes, is amended to read:

627.7015 Alternative procedure for resolution of disputed property insurance claims.—

(2) At the time of issuance and renewal of a policy or at the time a first-party claim within the scope of this section is filed by the policyholder, the insurer shall notify the
policyholder of its right to participate in the mediation program under this section. The department shall prepare a consumer information pamphlet for distribution to persons participating in mediation.

Section 19. Subsection (7) of section 627.7295, Florida Statutes, is amended to read:

627.7295 Motor vehicle insurance contracts.—
(7) A policy of private passenger motor vehicle insurance or a binder for such a policy may be initially issued in this state only if, before the effective date of such binder or policy, the insurer or agent has collected from the insured an amount equal to at least 1 month’s premium. An insurer, agent, or premium finance company may not, directly or indirectly, take any action resulting in the insured having paid from the insured’s own funds an amount less than the 1 month’s premium required by this subsection. This subsection applies without regard to whether the premium is financed by a premium finance company or is paid pursuant to a periodic payment plan of an insurer or an insurance agent. This subsection does not apply if an insured or member of the insured’s family is renewing or replacing a policy or a binder for such policy written by the same insurer or a member of the same insurer group. This subsection does not apply to an insurer that issues private passenger motor vehicle coverage primarily to active duty or former military personnel or their dependents. This subsection does not apply if all policy payments are paid pursuant to a payroll deduction plan, an automatic electronic funds transfer payment plan from the policyholder, or a recurring credit card or debit card agreement with the insurer.
This subsection and subsection (4) do not apply if all policy payments to an insurer are paid pursuant to an automatic electronic funds transfer payment plan from an agent, a managing general agent, or a premium finance company and if the policy includes, at a minimum, personal injury protection pursuant to ss. 627.730-627.7405; motor vehicle property damage liability pursuant to s. 627.7275; and bodily injury liability in at least the amount of $10,000 because of bodily injury to, or death of, one person in any one accident and in the amount of $20,000 because of bodily injury to, or death of, two or more persons in any one accident. This subsection and subsection (4) do not apply if an insured has had a policy in effect for at least 6 months, the insured’s agent is terminated by the insurer that issued the policy, and the insured obtains coverage on the policy’s renewal date with a new company through the terminated agent.

Section 20. Paragraph (e) of subsection (3) of section 921.0022, Florida Statutes, is amended to read:

921.0022 Criminal Punishment Code; offense severity ranking chart.—

(3) OFFENSE SEVERITY RANKING CHART

(e) LEVEL 5

<table>
<thead>
<tr>
<th>Florida Statute</th>
<th>Felony Degree</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>316.027(2)(a)</td>
<td>3rd</td>
<td>Accidents involving personal injuries other than serious bodily</td>
</tr>
<tr>
<td>Section</td>
<td>Grade</td>
<td>Description</td>
</tr>
<tr>
<td>------------------</td>
<td>-------</td>
<td>---------------------------------------------------------------</td>
</tr>
<tr>
<td>316.1935(4)(a)</td>
<td>2nd</td>
<td>Aggravated fleeing or eluding.</td>
</tr>
<tr>
<td>316.80(2)</td>
<td>2nd</td>
<td>Unlawful conveyance of fuel; obtaining fuel fraudulently.</td>
</tr>
<tr>
<td>322.34(6)</td>
<td>3rd</td>
<td>Careless operation of motor vehicle with suspended license, resulting in death or serious bodily injury.</td>
</tr>
<tr>
<td>327.30(5)</td>
<td>3rd</td>
<td>Vessel accidents involving personal injury; leaving scene.</td>
</tr>
<tr>
<td>379.365(2)(c)1.</td>
<td>3rd</td>
<td>Violation of rules relating to: willful molestation of stone crab traps, lines, or buoys; illegal bartering, trading, or sale, conspiring or aiding in such barter, trade, or sale, or</td>
</tr>
<tr>
<td>597-04033-19</td>
<td>2019714c3</td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>-----------</td>
<td></td>
</tr>
<tr>
<td>supplying, agreeing to supply, aiding in supplying, or giving away stone crab trap tags or certificates; making, altering, forging, counterfeiting, or reproducing stone crab trap tags; possession of forged, counterfeit, or imitation stone crab trap tags; and engaging in the commercial harvest of stone crabs while license is suspended or revoked.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>379.367(4)</th>
<th>3rd</th>
</tr>
</thead>
<tbody>
<tr>
<td>Willful molestation of a commercial harvester’s spiny lobster trap, line, or buoy.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>379.407(5)(b)3.</th>
<th>3rd</th>
</tr>
</thead>
<tbody>
<tr>
<td>Possession of 100 or more undersized spiny lobsters.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>381.0041(11)(b)</th>
<th>3rd</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donate blood, plasma, or organs knowing HIV</td>
<td></td>
</tr>
</tbody>
</table>

**CODING:** Words **stricken** are deletions; words **underlined** are additions.
440.10(1)(g)  2nd Failure to obtain workers’ compensation coverage.

440.105(5)  2nd Unlawful solicitation for the purpose of making workers’ compensation claims.

440.381(2)  3rd 2nd Submission of false, misleading, or incomplete information with the purpose of avoiding or reducing workers’ compensation premiums.

624.401(4)(b)2.  2nd Transacting insurance without a certificate or authority; premium collected $20,000 or more but less than $100,000.

626.902(1)(c)  2nd Representing an unauthorized insurer; repeat offender.
<table>
<thead>
<tr>
<th>Section</th>
<th>Degree</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>790.01(2)</td>
<td>3rd</td>
<td>Carrying a concealed firearm.</td>
</tr>
<tr>
<td>790.162</td>
<td>2nd</td>
<td>Threat to throw or discharge destructive device.</td>
</tr>
<tr>
<td>790.163(1)</td>
<td>2nd</td>
<td>False report of bomb, explosive, weapon of mass destruction, or use of firearms in violent manner.</td>
</tr>
<tr>
<td>790.221(1)</td>
<td>2nd</td>
<td>Possession of short-barreled shotgun or machine gun.</td>
</tr>
<tr>
<td>790.23</td>
<td>2nd</td>
<td>Felons in possession of firearms, ammunition, or electronic weapons or devices.</td>
</tr>
<tr>
<td>796.05(1)</td>
<td>2nd</td>
<td>Live on earnings of a prostitute; 1st offense.</td>
</tr>
<tr>
<td>800.04(6)(c)</td>
<td>3rd</td>
<td>Lewd or lascivious conduct; offender less than 18 years of age.</td>
</tr>
<tr>
<td>597-04033-19</td>
<td>2019714c3</td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>-----------</td>
<td></td>
</tr>
<tr>
<td>741</td>
<td>800.04(7)(b)</td>
<td>2nd</td>
</tr>
<tr>
<td>742</td>
<td>806.111(1)</td>
<td>3rd</td>
</tr>
<tr>
<td>743</td>
<td>812.0145(2)(b)</td>
<td>2nd</td>
</tr>
<tr>
<td>744</td>
<td>812.015(8)</td>
<td>3rd</td>
</tr>
<tr>
<td>745</td>
<td>812.019(1)</td>
<td>2nd</td>
</tr>
<tr>
<td>746</td>
<td>812.131(2)(b)</td>
<td>3rd</td>
</tr>
<tr>
<td>747</td>
<td>812.16(2)</td>
<td>3rd</td>
</tr>
<tr>
<td>Florida Senate - 2019</td>
<td>CS for CS for CS for SB 714</td>
<td></td>
</tr>
<tr>
<td>----------------------</td>
<td>-----------------------------</td>
<td></td>
</tr>
<tr>
<td>597-04033-19</td>
<td>2019714c3</td>
<td></td>
</tr>
<tr>
<td>817.034(4)(a)2.</td>
<td>2nd Communications fraud,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>value $20,000 to $50,000.</td>
<td></td>
</tr>
<tr>
<td>749</td>
<td></td>
<td></td>
</tr>
<tr>
<td>817.234(11)(b)</td>
<td>2nd Insurance fraud;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>property value $20,000 or</td>
<td></td>
</tr>
<tr>
<td></td>
<td>more but less than $100,000.</td>
<td></td>
</tr>
<tr>
<td>750</td>
<td></td>
<td></td>
</tr>
<tr>
<td>817.2341(1), (2)(a) &amp; (3)(a)</td>
<td>3rd Filing false financial</td>
<td></td>
</tr>
<tr>
<td></td>
<td>statements, making false</td>
<td></td>
</tr>
<tr>
<td></td>
<td>entries of material fact</td>
<td></td>
</tr>
<tr>
<td></td>
<td>or false statements</td>
<td></td>
</tr>
<tr>
<td></td>
<td>regarding property</td>
<td></td>
</tr>
<tr>
<td></td>
<td>values relating to the</td>
<td></td>
</tr>
<tr>
<td></td>
<td>solvency of an insuring</td>
<td></td>
</tr>
<tr>
<td></td>
<td>entity.</td>
<td></td>
</tr>
<tr>
<td>751</td>
<td></td>
<td></td>
</tr>
<tr>
<td>817.568(2)(b)</td>
<td>2nd Fraudulent use of</td>
<td></td>
</tr>
<tr>
<td></td>
<td>personal identification</td>
<td></td>
</tr>
<tr>
<td></td>
<td>information; value of</td>
<td></td>
</tr>
<tr>
<td></td>
<td>benefit, services received,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>payment avoided, or amount</td>
<td></td>
</tr>
<tr>
<td></td>
<td>of injury or fraud, $5,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>or more or use of</td>
<td></td>
</tr>
<tr>
<td></td>
<td>personal identification</td>
<td></td>
</tr>
<tr>
<td></td>
<td>information of 10 or more</td>
<td></td>
</tr>
<tr>
<td></td>
<td>persons.</td>
<td></td>
</tr>
</tbody>
</table>

CODING: Words **stricken** are deletions; words **underlined** are additions.
<table>
<thead>
<tr>
<th>Section</th>
<th>Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>817.611(2)(a)</td>
<td>2nd</td>
<td>Traffic in or possess 5 to 14 counterfeit credit cards or related documents.</td>
</tr>
<tr>
<td>817.625(2)(b)</td>
<td>2nd</td>
<td>Second or subsequent fraudulent use of scanning device, skimming device, or reencoder.</td>
</tr>
<tr>
<td>825.1025(4)</td>
<td>3rd</td>
<td>Lewd or lascivious exhibition in the presence of an elderly person or disabled adult.</td>
</tr>
<tr>
<td>827.071(4)</td>
<td>2nd</td>
<td>Possess with intent to promote any photographic material, motion picture, etc., which includes sexual conduct by a child.</td>
</tr>
<tr>
<td>827.071(5)</td>
<td>3rd</td>
<td>Possess, control, or intentionally view any photographic material, motion picture, etc.,</td>
</tr>
</tbody>
</table>
which includes sexual conduct by a child.

Tortures any animal with intent to inflict intense pain, serious physical injury, or death.

Falsifying records of an individual in the care and custody of a state agency involving great bodily harm or death.

Resist officer with violence to person; resist arrest with violence.

Lewd or lascivious exhibition using computer; offender 18 years or older.

Transmission of pornography by electronic device or equipment.
<table>
<thead>
<tr>
<th>847.0138</th>
<th>3rd</th>
<th>Transmission of material harmful to minors to a minor by electronic device or equipment.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(2) &amp; (3)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| 874.05(1)(b) | 2nd | Encouraging or recruiting another to join a criminal gang; second or subsequent offense. |

| 874.05(2)(a) | 2nd | Encouraging or recruiting person under 13 years of age to join a criminal gang. |

| 893.13(1)(a)1. | 2nd | Sell, manufacture, or deliver cocaine (or other s. 893.03(1)(a), (1)(b), (1)(d), (2)(a), (2)(b), or (2)(c)5. drugs). |

| 893.13(1)(c)2. | 2nd | Sell, manufacture, or deliver cannabis (or other s. 893.03(1)(c), (2)(c)1., (2)(c)2., (2)(c)3., (2)(c)6.. |
(2)(c)7., (2)(c)8.,
(2)(c)9., (2)(c)10.,
(3), or (4) drugs)
within 1,000 feet of a
child care facility,
school, or state,
county, or municipal
park or publicly owned
recreational facility or
community center.

893.13(1)(d)1.  1st  Sell, manufacture, or
deliver cocaine (or
other s. 893.03(1)(a),
(1)(b), (1)(d), (2)(a),
(2)(b), or (2)(c)5.
drugs) within 1,000 feet
of university.

893.13(1)(e)2.  2nd  Sell, manufacture, or
deliver cannabis or
other drug prohibited
under s. 893.03(1)(c),
(2)(c)1., (2)(c)2.,
(2)(c)3., (2)(c)6.,
(2)(c)7., (2)(c)8.,
(2)(c)9., (2)(c)10.,
(3), or (4) within 1,000
feet of property used
for religious services or a specified business site.

893.13(1)(f)1. 1st Sell, manufacture, or deliver cocaine (or other s. 893.03(1)(a), (1)(b), (1)(d), or (2)(a), (2)(b), or (2)(c)5. drugs) within 1,000 feet of public housing facility.

893.13(4)(b) 2nd Use or hire of minor; deliver to minor other controlled substance.

893.1351(1) 3rd Ownership, lease, or rental for trafficking in or manufacturing of controlled substance.

Section 21. Except as otherwise expressly provided in this act and except for this section, which shall take effect upon this act becoming a law, this act shall take effect July 1, 2019.