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CS/HB 273

2015 Legislature

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2 An act relating to insurer notifications; amending s.  
3 627.421, F.S.; authorizing a policyholder of personal  
4 lines insurance to elect delivery of policy documents  
5 by electronic means; amending s. 627.43141, F.S.;  
6 defining the term "optional coverage"; revising the  
7 requirements applicable to insurers when providing a  
8 notice of change in policy terms for a renewal policy  
9 to include the requirement that the notice be an  
10 advance notice; authorizing such notice to be sent  
11 separately from the notice of renewal premium within a  
12 specified timeframe; requiring the insurer to provide  
13 a sample copy of the notice of change in policy terms  
14 to the insurance agent at a specified time;  
15 prohibiting the use of such notice to add optional  
16 coverage that increases the policy's premium unless  
17 the policyholder approves the additional optional  
18 coverage; providing an effective date.  
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20 Be It Enacted by the Legislature of the State of Florida:  
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22 Section 1. Subsection (1) of section 627.421, Florida  
23 Statutes, is amended to read:

24 627.421 Delivery of policy.—

25 (1) Subject to the insurer's requirement as to payment of  
26 premium, every policy shall be mailed, delivered, or

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27 | electronically transmitted to the insured or to the person  
28 | entitled thereto not later than 60 days after the effectuation  
29 | of coverage. Notwithstanding any other provision of law, an  
30 | insurer may allow a policyholder of personal lines insurance to  
31 | affirmatively elect delivery of the policy documents, including,  
32 | but not limited to, policies, endorsements, notices, or  
33 | documents, by electronic means in lieu of delivery by mail.

34 | Electronic transmission of a policy for commercial risks,  
35 | including, but not limited to, workers' compensation and  
36 | employers' liability, commercial automobile liability,  
37 | commercial automobile physical damage, commercial lines  
38 | residential property, commercial nonresidential property,  
39 | farmowners insurance, and the types of commercial lines risks  
40 | set forth in s. 627.062(3)(d), constitutes ~~shall constitute~~  
41 | delivery to the insured or to the person entitled to delivery,  
42 | unless the insured or the person entitled to delivery  
43 | communicates to the insurer in writing or electronically that he  
44 | or she does not agree to delivery by electronic means.

45 | Electronic transmission shall include a notice to the insured or  
46 | to the person entitled to delivery of a policy of his or her  
47 | right to receive the policy via United States mail rather than  
48 | via electronic transmission. A paper copy of the policy shall be  
49 | provided to the insured or to the person entitled to delivery at  
50 | his or her request.

51 | Section 2. Paragraphs (b) and (c) of subsection (1) of  
52 | section 627.43141, Florida Statutes, are redesignated as

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53 paragraphs (c) and (d), respectively, and a new paragraph (b) is  
 54 added to that subsection, subsection (2), is amended,  
 55 subsections (3) through (6) of that section are renumbered as  
 56 subsections (4) through (7), respectively, and a new subsection  
 57 (3) is added to that section, to read:

58 627.43141 Notice of change in policy terms.—

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

60 (b) "Optional coverage" means the addition of new  
 61 insurance coverage that has not previously been requested or  
 62 approved by the policyholder but that does not include any  
 63 change to the base policy or a deductible or an insurance limit.

64 (2) A renewal policy may contain a change in policy terms.  
 65 If ~~a renewal policy does contain~~ such change occurs, the insurer  
 66 shall ~~must~~ give the named insured advance written notice of the  
 67 change, which may ~~must~~ be enclosed along with the written notice  
 68 of renewal premium required under ~~by~~ ss. 627.4133 and 627.728 or  
 69 sent separately within the timeframe required under the Florida  
 70 Insurance Code for the provision of a notice of nonrenewal to  
 71 the named insured for that line of insurance. The insurer must  
 72 also provide a sample copy of the notice to the named insured's  
 73 insurance agent before or at the same time that notice is  
 74 provided to the named insured. Such notice shall be entitled  
 75 "Notice of Change in Policy Terms."

76 (3) A renewal policy, which includes the addition of  
 77 optional coverage that increases the premium to a policyholder,  
 78 may not use the Notice of Change in Policy Terms to add the

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79 | optional coverage to the policy unless the policyholder  
80 | affirmatively indicates to the insurer or agent that the  
81 | policyholder approves the addition of the optional coverage.

82 |       Section 3. This act shall take effect July 1, 2015.