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1
2 An act relating to property and casualty insurance;
3 amending s. 627.062, F.S.; restricting to certain
4 property rate filings a requirement that the chief
5 executive officer or chief financial officer and chief
6 actuary of a property insurer certify the information
7 contained in a rate filing; amending s. 627.0628,
8 F.S.; requiring an insurer to employ in certain rate
9 filings actuarial methods, principles, standards,
10 models, or output ranges found by the Florida
11 Commission on Hurricane Loss Projection Methodology to
12 be accurate or reliable in determining probable
13 maximum loss levels; authorizing an insurer to employ
14 a model in a rate filing until 120 days after the
15 expiration of the commission's acceptance of that
16 model; prohibiting insurers from modifying or
17 adjusting the model after the commission finds the
18 model to be accurate or reliable in determining
19 probable maximum loss levels; amending s. 627.0645,
20 F.S.; exempting commercial nonresidential multiperil
21 insurance from annual base rate filing; amending s.
22 627.3518, F.S.; conforming a cross-reference; amending
23 s. 627.4133, F.S.; increasing the amount of prior
24 notice required with respect to the nonrenewal,
25 cancellation, or termination of certain insurance
26 policies; deleting certain provisions that require



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27 | extended periods of prior notice with respect to the
28 | nonrenewal, cancellation, or termination of certain
29 | insurance policies; prohibiting the cancellation of
30 | certain policies that have been in effect for a
31 | specified amount of time except under certain
32 | circumstances; amending s. 627.7074, F.S.; revising
33 | notification requirements for participation in the
34 | neutral evaluation program; amending s. 627.736, F.S.;
35 | revising the period for applicability of certain
36 | Medicare fee schedules or payment limitations;
37 | exempting certain federally certified entities from
38 | the requirement to be licensed in order to receive
39 | reimbursement under the Florida Motor Vehicle No-Fault
40 | Law; amending s. 627.744, F.S.; revising preinsurance
41 | inspection requirements for private passenger motor
42 | vehicles; amending s. 631.65, F.S.; authorizing,
43 | rather than prohibiting, an advertisement or a
44 | solicitation to use the existence of the Florida
45 | Insurance Guaranty Association to sell, solicit, or
46 | induce the purchase of certain insurance if the
47 | advertisement or solicitation explains specified
48 | coverage limits; providing an effective date.

49

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

51

52 | Section 1. Paragraph (a) of subsection (8) of section



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53 | 627.062, Florida Statutes, is amended to read:

54 | 627.062 Rate standards.—

55 | (8) (a) The chief executive officer or chief financial
56 | officer of a property insurer and the chief actuary of a
57 | property insurer must certify under oath and subject to the
58 | penalty of perjury, on a form approved by the commission, the
59 | following information, which must accompany a property rate
60 | filing subject to paragraph (2) (a):

61 | 1. The signing officer and actuary have reviewed the rate
62 | filing;

63 | 2. Based on the signing officer's and actuary's knowledge,
64 | the rate filing does not contain any untrue statement of a
65 | material fact or omit to state a material fact necessary to make
66 | the statements made, in light of the circumstances under which
67 | such statements were made, not misleading;

68 | 3. Based on the signing officer's and actuary's knowledge,
69 | the information and other factors described in paragraph (2) (b),
70 | including, but not limited to, investment income, fairly present
71 | in all material respects the basis of the rate filing for the
72 | periods presented in the filing; and

73 | 4. Based on the signing officer's and actuary's knowledge,
74 | the rate filing reflects all premium savings that are reasonably
75 | expected to result from legislative enactments and are in
76 | accordance with generally accepted and reasonable actuarial
77 | techniques.

78 | Section 2. Paragraph (d) of subsection (3) of section



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79 | 627.0628, Florida Statutes, is amended to read:

80 | 627.0628 Florida Commission on Hurricane Loss Projection
81 | Methodology; public records exemption; public meetings
82 | exemption.—

83 | (3) ADOPTION AND EFFECT OF STANDARDS AND GUIDELINES.—

84 | (d) With respect to a rate filing under s. 627.062, an
85 | insurer shall employ and may not modify or adjust actuarial
86 | methods, principles, standards, models, or output ranges found
87 | by the commission to be accurate or reliable in determining
88 | hurricane loss factors and probable maximum loss levels for use
89 | in a rate filing under s. 627.062. An insurer may ~~shall~~ employ a
90 | model in a rate filing until 120 days after the expiration of
91 | the commission's acceptance of that model and may not modify or
92 | adjust models found by the commission to be accurate or reliable
93 | in determining probable maximum loss levels ~~pursuant to~~
94 | ~~paragraph (b) with respect to a rate filing under s. 627.062~~
95 | ~~made more than 60 days after the commission has made such~~
96 | ~~findings~~. This paragraph does not prohibit an insurer from using
97 | a straight average of model results or output ranges for the
98 | purposes of a rate filing for personal lines residential flood
99 | insurance coverage under s. 627.062.

100 | Section 3. Paragraph (b) of subsection (1) of section
101 | 627.0645, Florida Statutes, is amended to read:

102 | 627.0645 Annual filings.—

103 | (1) Each rating organization filing rates for, and each
104 | insurer writing, any line of property or casualty insurance to



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105 | which this part applies, except:

106 | (b) ~~Commercial property and casualty~~ Insurance as defined
 107 | in ss. 624.604 and 624.605, limited to coverage of commercial
 108 | risks ~~s. 627.0625(1)~~ other than commercial residential
 109 | multi-peril multiple line and commercial motor vehicle,

110 |
 111 | shall make an annual base rate filing for each such line with
 112 | the office no later than 12 months after its previous base rate
 113 | filing, demonstrating that its rates are not inadequate.

114 | Section 4. Subsection (9) of section 627.3518, Florida
 115 | Statutes, is amended to read:

116 | 627.3518 Citizens Property Insurance Corporation
 117 | policyholder eligibility clearinghouse program.—The purpose of
 118 | this section is to provide a framework for the corporation to
 119 | implement a clearinghouse program by January 1, 2014.

120 | (9) The 45-day notice of nonrenewal requirement set forth
 121 | in s. 627.4133(2)(b)5. ~~627.4133(2)(b)5.b.~~ applies when a policy
 122 | is nonrenewed by the corporation because the risk has received
 123 | an offer of coverage pursuant to this section which renders the
 124 | risk ineligible for coverage by the corporation.

125 | Section 5. Paragraph (b) of subsection (2) of section
 126 | 627.4133, Florida Statutes, is amended to read:

127 | 627.4133 Notice of cancellation, nonrenewal, or renewal
 128 | premium.—

129 | (2) With respect to any personal lines or commercial
 130 | residential property insurance policy, including, but not



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131 | limited to, any homeowner, mobile home owner, farmowner,
 132 | condominium association, condominium unit owner, apartment
 133 | building, or other policy covering a residential structure or
 134 | its contents:

135 | (b) The insurer shall give the first-named insured written
 136 | notice of nonrenewal, cancellation, or termination at least 120
 137 | ~~100~~ days before the effective date of the nonrenewal,
 138 | cancellation, or termination. ~~However, the insurer shall give at~~
 139 | ~~least 100 days' written notice, or written notice by June 1,~~
 140 | ~~whichever is earlier, for any nonrenewal, cancellation, or~~
 141 | ~~termination that would be effective between June 1 and November~~
 142 | ~~30.~~ The notice must include the reason for the nonrenewal,
 143 | cancellation, or termination, except that:

144 | ~~1. The insurer shall give the first-named insured written~~
 145 | ~~notice of nonrenewal, cancellation, or termination at least 120~~
 146 | ~~days before the effective date of the nonrenewal, cancellation,~~
 147 | ~~or termination for a first-named insured whose residential~~
 148 | ~~structure has been insured by that insurer or an affiliated~~
 149 | ~~insurer for at least 5 years before the date of the written~~
 150 | ~~notice.~~

151 | ~~1.2.~~ If cancellation is for nonpayment of premium, at
 152 | least 10 days' written notice of cancellation accompanied by the
 153 | reason therefor must be given. As used in this subparagraph, the
 154 | term "nonpayment of premium" means failure of the named insured
 155 | to discharge when due her or his obligations for paying the
 156 | premium on a policy or an installment of such premium, whether



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157 the premium is payable directly to the insurer or its agent or
158 indirectly under a premium finance plan or extension of credit,
159 or failure to maintain membership in an organization if such
160 membership is a condition precedent to insurance coverage. The
161 term also means the failure of a financial institution to honor
162 an insurance applicant's check after delivery to a licensed
163 agent for payment of a premium even if the agent has previously
164 delivered or transferred the premium to the insurer. If a
165 dishonored check represents the initial premium payment, the
166 contract and all contractual obligations are void ab initio
167 unless the nonpayment is cured within the earlier of 5 days
168 after actual notice by certified mail is received by the
169 applicant or 15 days after notice is sent to the applicant by
170 certified mail or registered mail. If the contract is void, any
171 premium received by the insurer from a third party must be
172 refunded to that party in full.

173 ~~2.3.~~ If cancellation or termination occurs during the
174 first 90 days the insurance is in force and the insurance is
175 canceled or terminated for reasons other than nonpayment of
176 premium, at least 20 days' written notice of cancellation or
177 termination accompanied by the reason therefor must be given
178 unless there has been a material misstatement or
179 misrepresentation or a failure to comply with the underwriting
180 requirements established by the insurer.

181 3. After the policy has been in effect for 90 days, the
182 policy may not be canceled by the insurer unless there has been



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183 a material misstatement; a nonpayment of premium; a failure to
184 comply, within 90 days after the date of effectuation of
185 coverage, with underwriting requirements established by the
186 insurer before the date of effectuation of coverage; or a
187 substantial change in the risk covered by the policy or unless
188 the cancellation is for all insureds under such policies for a
189 given class of insureds. This subparagraph does not apply to
190 individually rated risks that have a policy term of less than 90
191 days.

192 4. After a policy or contract has been in effect for more
193 than 90 days, the insurer may not cancel or terminate the policy
194 or contract based on credit information available in public
195 records.

196 ~~5. The requirement for providing written notice by June 1~~
197 ~~of any nonrenewal that would be effective between June 1 and~~
198 ~~November 30 does not apply to the following situations, but the~~
199 ~~insurer remains subject to the requirement to provide such~~
200 ~~notice at least 100 days before the effective date of~~
201 ~~nonrenewal:~~

202 ~~a. A policy that is nonrenewed due to a revision in the~~
203 ~~coverage for sinkhole losses and catastrophic ground cover~~
204 ~~collapse pursuant to s. 627.706.~~

205 ~~5.b.~~ A policy that is nonrenewed by Citizens Property
206 Insurance Corporation, pursuant to s. 627.351(6), for a policy
207 that has been assumed by an authorized insurer offering
208 replacement coverage to the policyholder is exempt from the



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209 notice requirements of paragraph (a) and this paragraph. In such
210 cases, the corporation must give the named insured written
211 notice of nonrenewal at least 45 days before the effective date
212 of the nonrenewal.

213
214 ~~After the policy has been in effect for 90 days, the policy may~~
215 ~~not be canceled by the insurer unless there has been a material~~
216 ~~misstatement, a nonpayment of premium, a failure to comply with~~
217 ~~underwriting requirements established by the insurer within 90~~
218 ~~days after the date of effectuation of coverage, a substantial~~
219 ~~change in the risk covered by the policy, or the cancellation is~~
220 ~~for all insureds under such policies for a given class of~~
221 ~~insureds. This paragraph does not apply to individually rated~~
222 ~~risks that have a policy term of less than 90 days.~~

223 6. Notwithstanding any other provision of law, an insurer
224 may cancel or nonrenew a property insurance policy after at
225 least 45 days' notice if the office finds that the early
226 cancellation of some or all of the insurer's policies is
227 necessary to protect the best interests of the public or
228 policyholders and the office approves the insurer's plan for
229 early cancellation or nonrenewal of some or all of its policies.
230 The office may base such finding upon the financial condition of
231 the insurer, lack of adequate reinsurance coverage for hurricane
232 risk, or other relevant factors. The office may condition its
233 finding on the consent of the insurer to be placed under
234 administrative supervision pursuant to s. 624.81 or to the



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235 | appointment of a receiver under chapter 631.

236 | 7. A policy covering both a home and a motor vehicle may
237 | be nonrenewed for any reason applicable to the property or motor
238 | vehicle insurance after providing 90 days' notice.

239 | Section 6. Subsection (3) of section 627.7074, Florida
240 | Statutes, is amended to read:

241 | 627.7074 Alternative procedure for resolution of disputed
242 | sinkhole insurance claims.—

243 | (3) If there is coverage available under the policy and
244 | the claim was submitted within the timeframe provided in s.
245 | 627.706(5), following the receipt of the report provided under
246 | s. 627.7073 or the denial of a claim for a sinkhole loss, the
247 | insurer shall notify the policyholder of his or her right to
248 | participate in the neutral evaluation program under this
249 | section. Neutral evaluation supersedes the alternative dispute
250 | resolution process under s. 627.7015 but does not invalidate the
251 | appraisal clause of the insurance policy. The insurer shall
252 | provide to the policyholder the consumer information pamphlet
253 | prepared by the department pursuant to subsection (1)
254 | electronically or by United States mail.

255 | Section 7. Paragraphs (a) and (h) of subsection (5) of
256 | section 627.736, Florida Statutes, are amended to read:

257 | 627.736 Required personal injury protection benefits;
258 | exclusions; priority; claims.—

259 | (5) CHARGES FOR TREATMENT OF INJURED PERSONS.—

260 | (a) A physician, hospital, clinic, or other person or



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261 institution lawfully rendering treatment to an injured person
262 for a bodily injury covered by personal injury protection
263 insurance may charge the insurer and injured party only a
264 reasonable amount pursuant to this section for the services and
265 supplies rendered, and the insurer providing such coverage may
266 pay for such charges directly to such person or institution
267 lawfully rendering such treatment if the insured receiving such
268 treatment or his or her guardian has countersigned the properly
269 completed invoice, bill, or claim form approved by the office
270 upon which such charges are to be paid for as having actually
271 been rendered, to the best knowledge of the insured or his or
272 her guardian. However, such a charge may not exceed the amount
273 the person or institution customarily charges for like services
274 or supplies. In determining whether a charge for a particular
275 service, treatment, or otherwise is reasonable, consideration
276 may be given to evidence of usual and customary charges and
277 payments accepted by the provider involved in the dispute,
278 reimbursement levels in the community and various federal and
279 state medical fee schedules applicable to motor vehicle and
280 other insurance coverages, and other information relevant to the
281 reasonableness of the reimbursement for the service, treatment,
282 or supply.

283 1. The insurer may limit reimbursement to 80 percent of
284 the following schedule of maximum charges:

285 a. For emergency transport and treatment by providers
286 licensed under chapter 401, 200 percent of Medicare.



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287 b. For emergency services and care provided by a hospital
 288 licensed under chapter 395, 75 percent of the hospital's usual
 289 and customary charges.

290 c. For emergency services and care as defined by s.
 291 395.002 provided in a facility licensed under chapter 395
 292 rendered by a physician or dentist, and related hospital
 293 inpatient services rendered by a physician or dentist, the usual
 294 and customary charges in the community.

295 d. For hospital inpatient services, other than emergency
 296 services and care, 200 percent of the Medicare Part A
 297 prospective payment applicable to the specific hospital
 298 providing the inpatient services.

299 e. For hospital outpatient services, other than emergency
 300 services and care, 200 percent of the Medicare Part A Ambulatory
 301 Payment Classification for the specific hospital providing the
 302 outpatient services.

303 f. For all other medical services, supplies, and care, 200
 304 percent of the allowable amount under:

305 (I) The participating physicians fee schedule of Medicare
 306 Part B, except as provided in sub-sub-subparagraphs (II) and
 307 (III).

308 (II) Medicare Part B, in the case of services, supplies,
 309 and care provided by ambulatory surgical centers and clinical
 310 laboratories.

311 (III) The Durable Medical Equipment Prosthetics/Orthotics
 312 and Supplies fee schedule of Medicare Part B, in the case of



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313 durable medical equipment.

314

315 However, if such services, supplies, or care is not reimbursable
316 under Medicare Part B, as provided in this sub-subparagraph, the
317 insurer may limit reimbursement to 80 percent of the maximum
318 reimbursable allowance under workers' compensation, as
319 determined under s. 440.13 and rules adopted thereunder which
320 are in effect at the time such services, supplies, or care is
321 provided. Services, supplies, or care that is not reimbursable
322 under Medicare or workers' compensation is not required to be
323 reimbursed by the insurer.

324 2. For purposes of subparagraph 1., the applicable fee
325 schedule or payment limitation under Medicare is the fee
326 schedule or payment limitation in effect on March 1 of the
327 service year in which the services, supplies, or care is
328 rendered and for the area in which such services, supplies, or
329 care is rendered, and the applicable fee schedule or payment
330 limitation applies to services, supplies, or care rendered
331 during ~~throughout the remainder of that~~ service year,
332 notwithstanding any subsequent change made to the fee schedule
333 or payment limitation, except that it may not be less than the
334 allowable amount under the applicable schedule of Medicare Part
335 B for 2007 for medical services, supplies, and care subject to
336 Medicare Part B. For purposes of this subparagraph, the term
337 "service year" means the period from March 1 through the end of
338 February of the following year.



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339 3. Subparagraph 1. does not allow the insurer to apply any
340 limitation on the number of treatments or other utilization
341 limits that apply under Medicare or workers' compensation. An
342 insurer that applies the allowable payment limitations of
343 subparagraph 1. must reimburse a provider who lawfully provided
344 care or treatment under the scope of his or her license,
345 regardless of whether such provider is entitled to reimbursement
346 under Medicare due to restrictions or limitations on the types
347 or discipline of health care providers who may be reimbursed for
348 particular procedures or procedure codes. However, subparagraph
349 1. does not prohibit an insurer from using the Medicare coding
350 policies and payment methodologies of the federal Centers for
351 Medicare and Medicaid Services, including applicable modifiers,
352 to determine the appropriate amount of reimbursement for medical
353 services, supplies, or care if the coding policy or payment
354 methodology does not constitute a utilization limit.

355 4. If an insurer limits payment as authorized by
356 subparagraph 1., the person providing such services, supplies,
357 or care may not bill or attempt to collect from the insured any
358 amount in excess of such limits, except for amounts that are not
359 covered by the insured's personal injury protection coverage due
360 to the coinsurance amount or maximum policy limits.

361 5. ~~Effective July 1, 2012,~~ An insurer may limit payment as
362 authorized by this paragraph only if the insurance policy
363 includes a notice at the time of issuance or renewal that the
364 insurer may limit payment pursuant to the schedule of charges



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365 specified in this paragraph. A policy form approved by the
366 office satisfies this requirement. If a provider submits a
367 charge for an amount less than the amount allowed under
368 subparagraph 1., the insurer may pay the amount of the charge
369 submitted.

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

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

378 2. An entity wholly owned by a dentist licensed under
379 chapter 466, or by the dentist and the spouse, parent, child, or
380 sibling of the dentist;

381 3. An entity wholly owned by a chiropractic physician
382 licensed under chapter 460, or by the chiropractic physician and
383 the spouse, parent, child, or sibling of the chiropractic
384 physician;

385 4. A hospital or ambulatory surgical center licensed under
386 chapter 395;

387 5. An entity that wholly owns or is wholly owned, directly
388 or indirectly, by a hospital or hospitals licensed under chapter
389 395; ~~or~~

390 6. An entity that is a clinical facility affiliated with



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391 an accredited medical school at which training is provided for
392 medical students, residents, or fellows; or

393 7. An entity that is certified under 42 C.F.R. part 485,
394 subpart H.

395 Section 8. Paragraphs (a) and (b) of subsection (2) of
396 section 627.744, Florida Statutes, are amended to read:

397 627.744 Required preinsurance inspection of private
398 passenger motor vehicles.—

399 (2) This section does not apply:

400 (a) To a policy for a policyholder who has been insured
401 for 2 years or longer, without interruption, under a private
402 passenger motor vehicle policy that ~~which~~ provides physical
403 damage coverage for any vehicle~~7~~ if the agent of the insurer
404 verifies the previous coverage.

405 (b) To a new, unused motor vehicle purchased or leased
406 from a licensed motor vehicle dealer or leasing company.~~7~~ ~~if~~ The
407 insurer may require ~~is provided with~~:

408 1. A bill of sale, ~~or~~ buyer's order, or lease agreement
409 that ~~which~~ contains a full description of the motor vehicle~~7~~
410 ~~including all options and accessories; or~~

411 2. A copy of the title or registration that ~~which~~
412 establishes transfer of ownership from the dealer or leasing
413 company to the customer and a copy of the window sticker ~~or the~~
414 ~~dealer invoice showing the itemized options and equipment and~~
415 ~~the total retail price of the vehicle.~~

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417 For the purposes of this paragraph, the physical damage coverage
418 on the motor vehicle may not be suspended during the term of the
419 policy due to the applicant's failure to provide or the
420 insurer's option not to require the ~~required~~ documents. However,
421 if the insurer requires a document under this paragraph at the
422 time the policy is issued, payment of a claim may be is
423 conditioned upon the receipt by the insurer of the required
424 documents, and no physical damage loss occurring after the
425 effective date of the coverage may be is payable until the
426 documents are provided to the insurer.

427 Section 9. Section 631.65, Florida Statutes, is amended to
428 read:

429 631.65 ~~Prohibited~~ Advertisement or solicitation.—An ~~No~~
430 ~~person shall make, publish, disseminate, circulate, or place~~
431 ~~before the public, or cause, directly or indirectly, to be made,~~
432 ~~published, disseminated, circulated, or placed before the~~
433 ~~public, in a newspaper, magazine, or other publication, or in~~
434 ~~the form of a notice, circular, pamphlet, letter, or poster, or~~
435 ~~over any radio station or television station, or in any other~~
436 ~~way, any advertisement~~ or a solicitation that, ~~announcement, or~~
437 ~~statement which~~ uses the existence of the ~~insurance guaranty~~
438 association for the purpose of sales, solicitation, or
439 inducement to purchase any form of insurance covered under this
440 part must explain the coverage limits of the association set
441 forth in s. 631.57(1) which apply to the type of insurance
442 described in the advertisement or solicitation. ~~However, this~~



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443 ~~section does not prohibit a duly licensed insurance agent from~~
444 ~~explaining the existence or function of the insurance guaranty~~
445 ~~association to policyholders, prospects, or applicants for~~
446 ~~coverage.~~

447 Section 10. This act shall take effect July 1, 2015.