

## CHAPTER 97-178

### Committee Substitute for Senate Bill Nos. 1286 and 1446

An act relating to insurance; creating s. 627.06501, F.S.; authorizing motor vehicle insurers to offer premium reductions when the principal driver of an insured vehicle has completed an approved driver improvement course; prescribing conditions and limits on such offer; amending s. 318.1451, F.S.; providing for an assessment fee to be paid by persons taking such a course; amending s. 627.419, F.S.; specifying that advertisements by insurers in a language other than English do not modify a policy in English; providing limitations; amending s. 627.727, F.S.; providing a presumption in favor of insurers and their agents and employees that coverage has been rejected or reduced by an insured who signs a form prescribed by the Department of Insurance; amending s. 627.728, F.S.; providing for electronic notice of cancellation and nonrenewals; allowing notice of cancellation by postal proof of mailings; amending s. 627.7288, F.S.; providing that deductibles in a policy that provides comprehensive coverage provided to an insured by an authorized insurer do not apply to motor vehicle glass deductibles; creating s. 627.72951, F.S.; permitting temporary binding of coverage; providing an effective date.

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

Section 1. Section 627.06501, Florida Statutes, is created to read:

627.06501 Insurance discounts for certain persons completing driver improvement course.—

(1) Any rate, rating schedule, or rating manual for the liability, personal injury protection, and collision coverages of a motor vehicle insurance policy filed with the department may provide for an appropriate reduction in premium charges as to such coverages when the principal operator on the covered vehicle has successfully completed a driver improvement course approved and certified by the Department of Highway Safety and Motor Vehicles which is effective in reducing crash or violation rates, or both, as determined pursuant to s. 318.1451(5). Any discount, not to exceed 10 percent, used by an insurer is presumed to be appropriate unless credible data demonstrates otherwise.

(2) The premium reduction authorized by this section shall be effective for an insured for a 3-year period after successful completion of the approved course, except that the insurer may require, as a condition of maintaining the reduction, that the insured:

- (a) Not be involved in an accident for which the insured is at fault; and
- (b) Not be convicted of or plead guilty or nolo contendere to a moving traffic violation.

(3) The organization offering the course shall, upon a person's successful completion of the course, issue the person a certificate that the person may use to qualify for the premium discount authorized by this section.

(4) This section does not apply if the driver improvement course is taken in lieu of a court appearance for a traffic infraction as provided for in s. 318.14(9). However, the five-election restriction enumerated in that section is not applicable to taking the course for the purposes of receiving insurance premium reductions.

Section 2. Subsection (4) of section 318.1451, Florida Statutes, is amended to read:

318.1451 Driver improvement schools.—

(4) In addition to a regular course fee, an assessment fee in the amount of \$2.50 shall be collected by the school from each person who elects to attend a course, as it relates to ss. 318.14(9), 322.0261, and 322.291, and 627.06501, which shall be remitted to the Department of Highway Safety and Motor Vehicles and deposited in the Highway Safety Operating Trust Fund to administer this program and to fund the general operations of the department.

Section 3. Subsection (8) is added to section 627.419, Florida Statutes, 1996 Supplement, to read:

627.419 Construction of policies.—

(8) If an insurer or licensee advertises an insurance policy in a language other than English, the advertisements shall not be construed to modify or change the insurance policy written in English. The advertisement must disclose that the policy written in English controls in the event of a dispute and that statements contained in the advertisement do not necessarily, as a result of possible linguistic differences, reflect the contents of the policy written in English. Nothing in this subsection shall affect the provisions of s. 626.9541 relating to misrepresentations and false advertising of insurance policies.

Section 4. Paragraph (c) of subsection (1) and subsection (12) of section 627.728, Florida Statutes, 1996 Supplement, are amended to read:

627.728 Cancellations; nonrenewals.—

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

(c) "Nonpayment of premium" means failure of the named insured to discharge when due any of his obligations in connection with the payment of premiums on a policy or any installment of such premium, whether the premium is payable directly to the insurer or its agent or indirectly under any premium finance plan or extension of credit, or failure to maintain membership in an organization if such membership is a condition precedent to insurance coverage. "Nonpayment of premium" also means the failure of a financial institution to honor an insurance applicant's check after delivery

to a licensed agent for payment of a premium, even if the agent has previously delivered or transferred the premium to the insurer; further, if the dishonored check represents the initial premium payment, the contract shall be void ab initio unless the nonpayment is cured within the earlier of 5 days after actual notice by certified mail is received by the applicant or 15 days after notice is sent to the applicant by certified mail or registered mail, and if the contract is void, any premium received by the insurer from a third party shall be refunded to that party in full. If a dishonored check is made payable to the insurer, the insurer may cancel the policy in accordance with paragraph (3)(a).

(12) No later than 10 business days after termination of a policy subject to this section, the insurer must send written or electronic notice of the termination to all holders of liens on the subject vehicle, which lienholders are known to the insurer. Electronic notice is valid only by prior agreement between the insurer and the lienholder.

Section 5. Section 627.7288, Florida Statutes, is amended to read:

627.7288 Comprehensive coverage; deductible not to apply to motor vehicle glass.—The deductible provisions of any policy of motor vehicle insurance, delivered or issued in this state by an authorized insurer, providing comprehensive coverage or combined additional coverage shall not be applicable to damage to the windshield of any motor vehicle covered under such policy.

Section 6. Section 627.72951, Florida Statutes, is created to read:

627.72951 Temporary binding permitted.—Notwithstanding any other provision of law, an insurer may temporarily bind coverage on a vehicle for a period not to exceed 3 business days without first collecting premium, if the policyholder has coverage on another vehicle with the same insurer or insurer group.

Section 7. This act shall take effect October 1, 1997.

Became a law without the Governor's approval May 30, 1997.

Filed in Office Secretary of State May 29, 1997.