

CHAPTER 2015-170

Committee Substitute for House Bill No. 273

An act relating to insurer notifications; amending s. 627.421, F.S.; authorizing a policyholder of personal lines insurance to elect delivery of policy documents by electronic means; amending s. 627.43141, F.S.; defining the term “optional coverage”; revising the requirements applicable to insurers when providing a notice of change in policy terms for a renewal policy to include the requirement that the notice be an advance notice; authorizing such notice to be sent separately from the notice of renewal premium within a specified timeframe; requiring the insurer to provide a sample copy of the notice of change in policy terms to the insurance agent at a specified time; prohibiting the use of such notice to add optional coverage that increases the policy’s premium unless the policyholder approves the additional optional coverage; providing an effective date.

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

Section 1. Subsection (1) of section 627.421, Florida Statutes, is amended to read:

627.421 Delivery of policy.—

(1) Subject to the insurer’s requirement as to payment of premium, every policy shall be mailed, delivered, or electronically transmitted to the insured or to the person entitled thereto not later than 60 days after the effectuation of coverage. Notwithstanding any other provision of law, an insurer may allow a policyholder of personal lines insurance to affirmatively elect delivery of the policy documents, including, but not limited to, policies, endorsements, notices, or documents, by electronic means in lieu of delivery by mail. Electronic transmission of a policy for commercial risks, including, but not limited to, workers’ compensation and employers’ liability, commercial automobile liability, commercial automobile physical damage, commercial lines residential property, commercial nonresidential property, farmowners insurance, and the types of commercial lines risks set forth in s. 627.062(3)(d), ~~constitutes shall constitute~~ delivery to the insured or to the person entitled to delivery, unless the insured or the person entitled to delivery communicates to the insurer in writing or electronically that he or she does not agree to delivery by electronic means. Electronic transmission shall include a notice to the insured or to the person entitled to delivery of a policy of his or her right to receive the policy via United States mail rather than via electronic transmission. A paper copy of the policy shall be provided to the insured or to the person entitled to delivery at his or her request.

Section 2. Paragraphs (b) and (c) of subsection (1) of section 627.43141, Florida Statutes, are redesignated as paragraphs (c) and (d), respectively, and a new paragraph (b) is added to that subsection, subsection (2), is amended, subsections (3) through (6) of that section are renumbered as

subsections (4) through (7), respectively, and a new subsection (3) is added to that section, to read:

627.43141 Notice of change in policy terms.—

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

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

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

(3) A renewal policy, which includes the addition of optional coverage that increases the premium to a policyholder, may not use the Notice of Change in Policy Terms to add the optional coverage to the policy unless the policyholder affirmatively indicates to the insurer or agent that the policyholder approves the addition of the optional coverage.

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

Approved by the Governor June 16, 2015.

Filed in Office Secretary of State June 16, 2015.