

## CHAPTER 2019-108

### Committee Substitute for Committee Substitute for Committee Substitute for House Bill No. 301

An act relating to insurance; amending s. 215.555, F.S.; specifying 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 on or after a specified date; 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; amending s. 921.0022, F.S.; conforming a provision to changes made by the act; creating s. 624.1055, F.S.; providing right of contribution of certain liability insurers against other liability insurers for defense costs; providing for apportionment of costs; providing for enforcement of right of contribution; providing construction; providing 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.; providing applicability of risk-based capital requirements for certain insurers; specifying risk-based capital determination for certain insurers; amending s. 626.914, F.S.; revising the definition of the term "diligent effort," as used in the Surplus Lines Law; amending s. 626.916, F.S.; removing the cap on per-policy fees charged by a filing surplus lines agent under certain circumstances; requiring such fees to be itemized and enumerated; authorizing a reasonable per-policy fee charged by a retail agent on surplus lines policies; requiring such fees to be itemized before policy purchase; amending s. 626.9541, F.S.; providing construction; amending s. 627.0655, F.S.; revising the circumstances under which certain insurance premium discounts are authorized; amending s. 627.426, F.S.; revising the requirements for sufficient proof of notice for certain insurance notices; 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.; revising the periods of time when property insurers must notify policyholders of certain mediation programs; amending s. 627.7295, F.S.; reducing the amount that must be collected from insureds before policies or binders are issued; providing applicability; providing effective dates.

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

Section 1. 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 2. Paragraph (b) of subsection (3) of section 319.30, Florida Statutes, is amended, and paragraph (d) is added to that subsection, 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 the United States Postal Service, by another commercial delivery service, or by electronic means, when such means are made available by the department, 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 January 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 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 consistent with chapter 668 satisfies any signature required under this subsection, except that an electronic signature on an odometer disclosure submitted through an insurance company must be executed using an electronic signature, as defined in s. 668.003(4), that uses a system providing an Identity Assurance Level, Authenticator Assurance Level, and Federation Assurance Level, as described in the National Institute of Standards and Technology Special

Publication 800-63-3, as of December 1, 2017, that are equivalent to or greater than:

- 1. Level 2, for each level, for a certificate of destruction.
- 2. Level 3, for each level, for a salvage certificate of title.

Section 3. 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 second~~ 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 4. 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

Florida Statute	Felony Degree	Description
316.027(2)(a)	3rd	Accidents involving personal injuries other than serious bodily injury, failure to stop; leaving scene.
316.1935(4)(a)	2nd	Aggravated fleeing or eluding.
316.80(2)	2nd	Unlawful conveyance of fuel; obtaining fuel fraudulently.

Florida Statute	Felony Degree	Description
322.34(6)	3rd	Careless operation of motor vehicle with suspended license, resulting in death or serious bodily injury.
327.30(5)	3rd	Vessel accidents involving personal injury; leaving scene.
379.365(2)(c)1.	3rd	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 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.
379.367(4)	3rd	Willful molestation of a commercial harvester's spiny lobster trap, line, or buoy.
379.407(5)(b)3.	3rd	Possession of 100 or more undersized spiny lobsters.
381.0041(11)(b)	3rd	Donate blood, plasma, or organs knowing HIV positive.
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)	<del>3rd</del> <u>2nd</u>	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.
790.01(2)	3rd	Carrying a concealed firearm.

Florida Statute	Felony Degree	Description
790.162	2nd	Threat to throw or discharge destructive device.
790.163(1)	2nd	False report of bomb, explosive, weapon of mass destruction, or use of firearms in violent manner.
790.221(1)	2nd	Possession of short-barreled shotgun or machine gun.
790.23	2nd	Felons in possession of firearms, ammunition, or electronic weapons or devices.
796.05(1)	2nd	Live on earnings of a prostitute; 1st offense.
800.04(6)(c)	3rd	Lewd or lascivious conduct; offender less than 18 years of age.
800.04(7)(b)	2nd	Lewd or lascivious exhibition; offender 18 years of age or older.
806.111(1)	3rd	Possess, manufacture, or dispense fire bomb with intent to damage any structure or property.
812.0145(2)(b)	2nd	Theft from person 65 years of age or older; \$10,000 or more but less than \$50,000.
812.015(8)	3rd	Retail theft; property stolen is valued at \$300 or more and one or more specified acts.
812.019(1)	2nd	Stolen property; dealing in or trafficking in.
812.131(2)(b)	3rd	Robbery by sudden snatching.
812.16(2)	3rd	Owning, operating, or conducting a chop shop.
817.034(4)(a)2.	2nd	Communications fraud, value \$20,000 to \$50,000.
817.234(11)(b)	2nd	Insurance fraud; property value \$20,000 or more but less than \$100,000.
817.2341(1), (2)(a) & (3)(a)	3rd	Filing false financial statements, making false entries of material fact or false statements regarding property values relating to the solvency of an insuring entity.

Florida Statute	Felony Degree	Description
817.568(2)(b)	2nd	Fraudulent use of personal identification information; value of benefit, services received, payment avoided, or amount of injury or fraud, \$5,000 or more or use of personal identification information of 10 or more persons.
817.611(2)(a)	2nd	Traffic in or possess 5 to 14 counterfeit credit cards or related documents.
817.625(2)(b)	2nd	Second or subsequent fraudulent use of scanning device, skimming device, or reencoder.
825.1025(4)	3rd	Lewd or lascivious exhibition in the presence of an elderly person or disabled adult.
827.071(4)	2nd	Possess with intent to promote any photographic material, motion picture, etc., which includes sexual conduct by a child.
827.071(5)	3rd	Possess, control, or intentionally view any photographic material, motion picture, etc., which includes sexual conduct by a child.
828.12(2)	3rd	Tortures any animal with intent to inflict intense pain, serious physical injury, or death.
839.13(2)(b)	2nd	Falsifying records of an individual in the care and custody of a state agency involving great bodily harm or death.
843.01	3rd	Resist officer with violence to person; resist arrest with violence.
847.0135(5)(b)	2nd	Lewd or lascivious exhibition using computer; offender 18 years or older.
847.0137 (2) & (3)	3rd	Transmission of pornography by electronic device or equipment.
847.0138 (2) & (3)	3rd	Transmission of material harmful to minors to a minor by electronic device or equipment.
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.

Florida Statute	Felony Degree	Description
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 5. Section 624.1055, Florida Statutes, is created to read:

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

(1) APPORTIONMENT OF COSTS.—The court shall allocate defense costs among liability insurers who owe a duty to defend the insured against the same claim, suit, or other action in accordance with the terms of the



liability 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 who is entitled to contribution from another liability 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 terms of a liability insurance policy or to create any additional duty on the part of a liability insurer to an insured.

(b) An insured may not rely on this section as grounds for a complaint against a liability insurer.

(4) APPLICABILITY.—This section applies to liability insurance policies issued for delivery in this state, or 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.

(5) Notwithstanding subsection (4), this section does not apply to motor vehicle liability insurance or medical professional liability insurance.

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.

~~(e) 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~~ No foreign or alien insurer or exchange ~~may not~~ shall 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 to read:

624.4085 Risk-based capital requirements for insurers.—

(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) A property and casualty insurer’s and, if subject to this section pursuant to paragraph (1)(g), a health maintenance organization’s or a prepaid limited health service organization’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 ~~\$1 million~~ 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. Subsection (4) of section 626.916, Florida Statutes, is amended, and subsection (5) is added to that section, to read:

626.916 Eligibility for export.—

(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. This per-policy fee must be itemized separately to the customer before purchase and 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. This per-policy fee must be itemized separately to the customer before purchase.

Section 11. Subsection (5) is added to section 626.9541, Florida Statutes, to read:

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

(5) LOSS CONTROL AND LOSS MITIGATION.—This section does not prohibit an insurer or agent from offering or giving to an insured, for free or at a discounted price, services or other merchandise, goods, wares, or other items of value that relate to loss control or loss mitigation with respect to the risks covered under the policy.

Section 12. 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, a 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 13. 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 14. 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 15. 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 16. 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 ~~2 months'~~ 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 ~~2 months'~~ 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 17. Section 624.1055, Florida Statutes, as created by this act, applies to any claim, suit, or other action initiated on or after January 1, 2020.

Section 18. Except as otherwise expressly provided in this act, this act shall take effect July 1, 2019.

Approved by the Governor June 18, 2019.

Filed in Office Secretary of State June 18, 2019.