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250 Section 5. Section 624.1055, Florida Statutes, is created
 251 to read:

252 624.1055 Right of contribution among liability insurers
 253 for defense costs.—A liability insurer who owes a duty to defend
 254 an insured and who defends the insured against a claim, suit, or
 255 other action has a right of contribution for defense costs
 256 against any other liability insurer who owes a duty to defend
 257 the insured against the same claim, suit, or other action,
 258 provided that contribution may not be sought from any liability
 259 insurer for defense costs that are incurred before the liability
 260 insurer's receipt of notice of the claim, suit, or other action.

261 (1) APPORTIONMENT OF COSTS.—The court shall allocate
 262 defense costs among liability insurers who owe a duty to defend
 263 the insured against the same claim, suit, or other action in
 264 accordance with the terms of the liability insurance policies.
 265 The court may use such equitable factors as the court determines
 266 are appropriate in making such allocation.

267 (2) ENFORCEMENT OF RIGHT OF CONTRIBUTION.—A liability
 268 insurer who is entitled to contribution from another liability
 269 insurer under this section may file an action for contribution
 270 in a court of competent jurisdiction.

271 (3) CONSTRUCTION.—

272 (a) This section is not intended to alter any terms of a
 273 liability insurance policy or to create any additional duty on

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274 the part of a liability insurer to an insured.

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

277 (4) APPLICABILITY.—This section applies to liability
 278 insurance policies issued for delivery in this state, or
 279 liability insurance policies under which an insurer has a duty
 280 to defend an insured against claims asserted or suits or actions
 281 filed in this state. Such liability insurance policies include
 282 surplus lines insurance policies authorized under the Surplus
 283 Lines Law, ss. 626.913-626.937.

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

287 Section 6. Subsection (3) of section 624.155, Florida
 288 Statutes, is amended to read:

289 624.155 Civil remedy.—

290 (3)(a) As a condition precedent to bringing an action
 291 under this section, the department and the authorized insurer
 292 must have been given 60 days' written notice of the violation.
 293 ~~If the department returns a notice for lack of specificity, the~~
 294 ~~60-day time period shall not begin until a proper notice is~~
 295 ~~filed.~~

296 (b) The notice shall be on a form provided by the
 297 department and shall state with specificity the following
 298 information, and such other information as the department may

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299 require:

300 1. The statutory provision, including the specific
 301 language of the statute, which the authorized insurer allegedly
 302 violated.

303 2. The facts and circumstances giving rise to the
 304 violation.

305 3. The name of any individual involved in the violation.

306 4. Reference to specific policy language that is relevant
 307 to the violation, if any. If the person bringing the civil
 308 action is a third party claimant, she or he shall not be
 309 required to reference the specific policy language if the
 310 authorized insurer has not provided a copy of the policy to the
 311 third party claimant pursuant to written request.

312 5. A statement that the notice is given in order to
 313 perfect the right to pursue the civil remedy authorized by this
 314 section.

315 ~~(c) Within 20 days of receipt of the notice, the~~
 316 ~~department may return any notice that does not provide the~~
 317 ~~specific information required by this section, and the~~
 318 ~~department shall indicate the specific deficiencies contained in~~
 319 ~~the notice. A determination by the department to return a notice~~
 320 ~~for lack of specificity shall be exempt from the requirements of~~
 321 ~~chapter 120.~~

322 (c) ~~(d)~~ No action shall lie if, within 60 days after filing
 323 notice, the damages are paid or the circumstances giving rise to

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324 the violation are corrected.

325 (d)~~(e)~~ The authorized insurer that is the recipient of a
 326 notice filed pursuant to this section shall report to the
 327 department on the disposition of the alleged violation.

328 (e)~~(f)~~ The applicable statute of limitations for an action
 329 under this section shall be tolled for a period of 65 days by
 330 the mailing of the notice required by this subsection or the
 331 mailing of a subsequent notice required by this subsection.

332 (f) A notice required under this subsection may not be
 333 filed within 60 days after appraisal is invoked by any party in
 334 a residential property insurance claim.

335 Section 7. Subsection (2) of section 624.404, Florida
 336 Statutes, is amended to read:

337 624.404 General eligibility of insurers for certificate of
 338 authority.—To qualify for and hold authority to transact
 339 insurance in this state, an insurer must be otherwise in
 340 compliance with this code and with its charter powers and must
 341 be an incorporated stock insurer, an incorporated mutual
 342 insurer, or a reciprocal insurer, of the same general type as
 343 may be formed as a domestic insurer under this code; except
 344 that:

345 (2) A ~~No~~ foreign or alien insurer or exchange may not
 346 ~~shall~~ be authorized to transact insurance in this state unless
 347 it is otherwise qualified therefor under this code and has
 348 operated satisfactorily for at least 3 years in its state or

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349 country of domicile; however, the office may waive the 3-year
 350 requirement if the foreign or alien insurer or exchange:

351 (a) Has operated successfully and has capital and surplus
 352 of \$5 million;

353 (b) Is the wholly owned subsidiary of an insurer which is
 354 an authorized insurer in this state;

355 (c) Is the successor in interest through merger or
 356 consolidation of an authorized insurer; ~~or~~

357 (d) Provides a product or service not readily available to
 358 the consumers of this state; or

359 (e) Possesses sufficient capital and surplus to support
 360 its plan of operation as filed with the office.

361 Section 8. Paragraphs (d) and (e) of subsection (2) of
 362 section 624.4085, Florida Statutes, are amended to read:

363 624.4085 Risk-based capital requirements for insurers.-

364 (2)

365 (d) A life and health insurer's risk-based capital is
 366 determined in accordance with the formula set forth in the risk-
 367 based capital instructions. The formula takes into account and
 368 may adjust for the covariance between:

- 369 1. The risk with respect to the insurer's assets;
- 370 2. The risk of adverse insurance experience with respect
 371 to the insurer's liabilities and obligations;
- 372 3. The interest rate risk with respect to the insurer's
 373 business; and

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374 4. Any other business or other relevant risk set out in
 375 the risk-based capital instructions,
 376
 377 determined in each case by applying the factors in the manner
 378 set forth in the risk-based capital instructions. This paragraph
 379 does not apply to a health maintenance organization or a prepaid
 380 limited health service organization.

381 (e) A property and casualty insurer's and, if subject to
 382 this section pursuant to paragraph (1) (g), a health maintenance
 383 organization's or a prepaid limited health service
 384 organization's, risk-based capital is determined in accordance
 385 with the formula set forth in the risk-based capital
 386 instructions. The formula takes into account and may adjust for
 387 the covariance between:

- 388 1. The asset risk;
- 389 2. The credit risk;
- 390 3. The underwriting risk; and
- 391 4. Any other business or other relevant risk set out in
 392 the risk-based capital instructions,
 393
 394 determined in each case by applying the factors in the manner
 395 set forth in the risk-based capital instructions.

396 Section 9. Subsection (4) of section 626.914, Florida
 397 Statutes, is amended to read:

398 626.914 Definitions.—As used in this Surplus Lines Law,

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399 the term:

400 (4) "Diligent effort" means seeking coverage from and
 401 having been rejected by at least three authorized insurers
 402 currently writing this type of coverage and documenting these
 403 rejections. However, if the residential structure has a dwelling
 404 replacement cost of \$700,000 ~~\$1 million~~ or more, the term means
 405 seeking coverage from and having been rejected by at least one
 406 authorized insurer currently writing this type of coverage and
 407 documenting this rejection.

408 Section 10. Subsection (4) of section 626.916, Florida
 409 Statutes, is amended, and subsection (5) is added to that
 410 section, to read:

411 626.916 Eligibility for export.—

412 (4) A reasonable per-policy fee, ~~not to exceed \$35,~~ may be
 413 charged by the filing surplus lines agent for each policy
 414 certified for export. This per-policy fee must be itemized
 415 separately to the customer before purchase and enumerated in the
 416 policy.

417 (5) A retail agent may charge a reasonable per-policy fee
 418 for placement of a surplus lines policy under this section. This
 419 per-policy fee must be itemized separately to the customer
 420 before purchase.

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

423 626.9541 Unfair methods of competition and unfair or

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424 deceptive acts or practices defined.—

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

431 Section 12. Section 627.0655, Florida Statutes, is amended
 432 to read:

433 627.0655 Policyholder loss or expense-related premium
 434 discounts.—An insurer or person authorized to engage in the
 435 business of insurance in this state may include, in the premium
 436 charged an insured for any policy, contract, or certificate of
 437 insurance, a discount based on the fact that another policy,
 438 contract, or certificate of any type has been purchased by the
 439 insured from:

440 (1) The same insurer or insurer group, or another insurer
 441 under a joint marketing agreement;

442 (2) The Citizens Property Insurance Corporation created
 443 under s. 627.351(6), if the same insurance agent is servicing
 444 both policies;~~or~~

445 (3) An insurer that has removed the policy from the
 446 Citizens Property Insurance Corporation or issued a policy
 447 pursuant to the clearinghouse program under s. 627.3518, if the
 448 same insurance agent is servicing both policies; or

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449 (4) An insurer, if the same insurance agent is servicing
 450 the policies.

451 Section 13. Subsection (2) of section 627.426, Florida
 452 Statutes, is amended to read:

453 627.426 Claims administration.—

454 (2) A liability insurer shall not be permitted to deny
 455 coverage based on a particular coverage defense unless:

456 (a) Within 30 days after the liability insurer knew or
 457 should have known of the coverage defense, written notice of
 458 reservation of rights to assert a coverage defense is given to
 459 the named insured by United States postal proof of mailing,
 460 registered or certified mail, or other mailing using the
 461 Intelligent Mail barcode or other similar tracking method used
 462 or approved by the United States Postal Service sent to the last
 463 known address of the insured or by hand delivery; and

464 (b) Within 60 days of compliance with paragraph (a) or
 465 receipt of a summons and complaint naming the insured as a
 466 defendant, whichever is later, but in no case later than 30 days
 467 before trial, the insurer:

468 1. Gives written notice to the named insured by United
 469 States postal proof of mailing, registered or certified mail, or
 470 other mailing using the Intelligent Mail barcode or other
 471 similar tracking method used or approved by the United States
 472 Postal Service of its refusal to defend the insured;

473 2. Obtains from the insured a nonwaiver agreement

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474 following full disclosure of the specific facts and policy
 475 provisions upon which the coverage defense is asserted and the
 476 duties, obligations, and liabilities of the insurer during and
 477 following the pendency of the subject litigation; or

478 3. Retains independent counsel which is mutually agreeable
 479 to the parties. Reasonable fees for the counsel may be agreed
 480 upon between the parties or, if no agreement is reached, shall
 481 be set by the court.

482 Section 14. Section 627.4555, Florida Statutes, is amended
 483 to read:

484 627.4555 Secondary notice.—

485 (1) Except as provided in this section, a contract for
 486 life insurance issued or issued for delivery in this state on or
 487 after October 1, 1997, covering a natural person 64 years of age
 488 or older, which has been in force for at least 1 year, may not
 489 be lapsed for nonpayment of premium unless, after expiration of
 490 the grace period, and at least 21 days before the effective date
 491 of any such lapse, the insurer has mailed a notification of the
 492 impending lapse in coverage to the policyowner and to a
 493 specified secondary addressee if such addressee has been
 494 designated in writing by name and address by the policyowner. An
 495 insurer issuing a life insurance contract on or after October 1,
 496 1997, shall notify the applicant of the right to designate a
 497 secondary addressee at the time of application for the policy,
 498 on a form provided by the insurer, and at any time the policy is

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499 in force, by submitting a written notice to the insurer
 500 containing the name and address of the secondary addressee. For
 501 purposes of any life insurance policy that provides a grace
 502 period of more than 51 days for nonpayment of premiums, the
 503 notice of impending lapse in coverage required by this section
 504 must be mailed to the policyowner and the secondary addressee at
 505 least 21 days before the expiration of the grace period provided
 506 in the policy. This section does not apply to any life insurance
 507 contract under which premiums are payable monthly or more
 508 frequently and are regularly collected by a licensed agent or
 509 are paid by credit card or any preauthorized check processing or
 510 automatic debit service of a financial institution.

511 (2) If the policyowner has a life agent of record or any
 512 agent of record, the insurer must also notify the agent of the
 513 impending lapse in coverage or mail or send electronically a
 514 copy of the notification of the impending lapse in coverage
 515 under subsection (1) to the agent at least 21 days before the
 516 effective date of any such lapse. Receipt of such notice does
 517 not make the agent responsible for any lapse in coverage. An
 518 insurer is not required to notify the agent under this
 519 subsection if any of the following applies:

520 (a) The insurer maintains an online system that allows an
 521 agent to independently determine if a policy has lapsed.

522 (b) The insurer maintains a procedure that allows an agent
 523 to independently determine whether the notice of lapse has been

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524 sent to the insured.

525 (c) The insurer has no record of the current agent of
 526 record.

527 (d) The agent is employed by the insurer or an affiliate
 528 of the insurer.

529 Section 15. Subsection (2) of section 627.7015, Florida
 530 Statutes, is amended to read:

531 627.7015 Alternative procedure for resolution of disputed
 532 property insurance claims.—

533 (2) At the time of issuance and renewal of a policy or at
 534 the time a first-party claim within the scope of this section is
 535 filed by the policyholder, the insurer shall notify the
 536 policyholder of its right to participate in the mediation
 537 program under this section. The department shall prepare a
 538 consumer information pamphlet for distribution to persons
 539 participating in mediation.

540 Section 16. Subsection (7) of section 627.7295, Florida
 541 Statutes, is amended to read:

542 627.7295 Motor vehicle insurance contracts.—

543 (7) A policy of private passenger motor vehicle insurance
 544 or a binder for such a policy may be initially issued in this
 545 state only if, before the effective date of such binder or
 546 policy, the insurer or agent has collected from the insured an
 547 amount equal to at least 1 month's ~~2 months'~~ premium. An
 548 insurer, agent, or premium finance company may not, directly or

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549 indirectly, take any action resulting in the insured having paid
 550 from the insured's own funds an amount less than the 1 month's ~~2~~
 551 ~~months~~¹ premium required by this subsection. This subsection
 552 applies without regard to whether the premium is financed by a
 553 premium finance company or is paid pursuant to a periodic
 554 payment plan of an insurer or an insurance agent. This
 555 subsection does not apply if an insured or member of the
 556 insured's family is renewing or replacing a policy or a binder
 557 for such policy written by the same insurer or a member of the
 558 same insurer group. This subsection does not apply to an insurer
 559 that issues private passenger motor vehicle coverage primarily
 560 to active duty or former military personnel or their dependents.
 561 This subsection does not apply if all policy payments are paid
 562 pursuant to a payroll deduction plan, an automatic electronic
 563 funds transfer payment plan from the policyholder, or a
 564 recurring credit card or debit card agreement with the insurer.
 565 This subsection and subsection (4) do not apply if all policy
 566 payments to an insurer are paid pursuant to an automatic
 567 electronic funds transfer payment plan from an agent, a managing
 568 general agent, or a premium finance company and if the policy
 569 includes, at a minimum, personal injury protection pursuant to
 570 ss. 627.730-627.7405; motor vehicle property damage liability
 571 pursuant to s. 627.7275; and bodily injury liability in at least
 572 the amount of \$10,000 because of bodily injury to, or death of,
 573 one person in any one accident and in the amount of \$20,000

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574 because of bodily injury to, or death of, two or more persons in
 575 any one accident. This subsection and subsection (4) do not
 576 apply if an insured has had a policy in effect for at least 6
 577 months, the insured's agent is terminated by the insurer that
 578 issued the policy, and the insured obtains coverage on the
 579 policy's renewal date with a new company through the terminated
 580 agent.

581 Section 17. Section 624.1055, Florida Statutes, as created
 582 by this act, applies to any claim, suit, or other action
 583 initiated on or after January 1, 2020.

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