



Commerce Committee

**Thursday, April 13, 2017
10:00 AM
Webster Hall (212 Knott)**

MEETING PACKET

Committee Meeting Notice

HOUSE OF REPRESENTATIVES

Commerce Committee

Start Date and Time: Thursday, April 13, 2017 10:00 am
End Date and Time: Thursday, April 13, 2017 11:30 am
Location: Webster Hall (212 Knott)
Duration: 1.50 hrs

Consideration of the following bill(s):

CS/HB 1063 Motor Vehicle Insurance by Insurance & Banking Subcommittee, Grall

Pursuant to rule 7.11, the deadline for amendments to bills on the agenda by non-appointed members shall be 6:00 p.m., Wednesday, April 12, 2017.

By request of Chair Diaz, J., all Commerce Committee members are asked to have amendments to bills on the agenda submitted to staff by 6:00 p.m., Wednesday, April 12, 2017.

NOTICE FINALIZED on 04/11/2017 4:06PM by McCloskey.Michele

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 1063 Motor Vehicle Insurance
SPONSOR(S): Insurance & Banking Subcommittee; Grall
TIED BILLS: IDEN./SIM. **BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Insurance & Banking Subcommittee	12 Y, 2 N, As CS	Lloyd	Luczynski
2) Commerce Committee		Lloyd <i>Sc...</i>	Hamon <i>K.W.H.</i>

SUMMARY ANALYSIS

The Florida Motor Vehicle No-Fault Law (also known as personal injury protection or PIP) requires owners and operators to obtain and maintain PIP, which provides \$10,000 in medical, disability, and funeral expenses, without regard to fault, subject to a limit of \$2,500 for non-emergency medical care. In exchange for providing PIP coverage, vehicle owners and operators are immune from tort claims within the limits of the PIP law.

The owner is also required to obtain and maintain coverage of at least \$10,000 for property damage (PD). In response to an accident, they must also provide proof of bodily injury (BI) coverage. BI coverage requires the ability to respond for at least \$10,000 in damages due to the bodily injury or death of any one person and \$20,000 for bodily injury or death to two or more persons. Proof of BI coverage can be made through an insurance policy or allowable forms of self-insurance.

The bill repeals the portion of PIP that requires owners and operators to obtain and maintain PIP coverage. By repealing PIP, the bill removes the limitation on tort liability provided under PIP. When drivers are at fault in an accident, they will be fully liable for any damages they cause. Due to this change, the bill expands the scope of legal liabilities covered under an uninsured/underinsured motorist policy.

In place of PIP, BI coverage will be required at the time of registration of a motor vehicle. It increases the minimum BI coverage limits to \$25,000 in damages due to the bodily injury or death of any one person and \$50,000 for bodily injury or death to two or more persons. The minimum PD coverage limit is not changed. The minimum security limits for self-insurance of BI and PD requirements are increased.

Motor vehicle policies issued on or after January 1, 2018, are prohibited from including PIP coverage. The bill retains the portions of law that govern administration of existing coverage and rights to allow PIP coverage and claims to run their course for coverage issued prior to January 1, 2018. It also provides for continued enforcement of suspensions, revocations, and anti-fraud measures for actions occurring under the PIP law.

The bill provides for the transition of motor vehicle insurance policies that were issued prior to January 1, 2018, from PIP requirements to BI requirements. Also, insurers are required to provide their policyholders a notice describing the effect of the elimination of PIP and change to BI, by September 1, 2017. The notice is subject to approval by the Office of Insurance Regulation.

The bill provides that resident relatives must be included in coverage provided by motor vehicle liability policies. It limits coverage of motor vehicles that are not identified on the policy, if an individual insured by the policy has owned the vehicle, or the temporary vehicle was furnished for regular use, for more than 30 consecutive days.

The bill has no fiscal impact on state or local government expenditures. The bill has indeterminate positive and negative impacts on the private sector.

The bill is effective January 1, 2018, except as otherwise expressly provided by the bill.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Financial Responsibility Law

Florida's Financial Responsibility Law requires proof of ability to pay monetary damages for bodily injury (BI) and property damage (PD) liability arising out of a motor vehicle accident or serious traffic violation.¹ The owner or operator of a motor vehicle is not required to provide proof of BI coverage at the time of vehicle registration. Motorcycle owners also are not required to provide proof of BI coverage at the time of registration. Proof of such coverage is only required after an accident.² At that time, a driver's financial responsibility is proved by furnishing an active motor vehicle liability policy, a certificate showing a qualifying security deposit with the Department of Highway Safety and Motor Vehicles (DHSMV), or proof of qualifying self-insurance.³

The required minimum amounts of BI insurance coverages are \$10,000, in the event of bodily injury to, or death of, one person, and \$20,000, in the event of bodily injury to, or death of, two or more persons. The required minimum amount of PD insurance coverage is \$10,000, in the event of damage to property of others, or \$30,000 combined for both BI and PD coverage.⁴ Coverage amounts such as these are often referred to in a summary manner as \$10,000/\$20,000/\$10,000 or 10/20/10.

An operator's driver's license and vehicle registration are subject to suspension for failure to comply with the PD coverage requirement.⁵ A driver's license and registration may be reinstated by obtaining a liability policy and by paying a fee to DHSMV.⁶

Financial responsibility requirements are common. All states have financial responsibility laws which require persons involved in auto accidents (or serious traffic infractions) to furnish proof of BI and PD liability insurance. The minimum coverage amounts vary among the states.

Florida Motor Vehicle No-Fault Law

Florida's Motor Vehicle No-Fault Law (No-Fault Law)⁷ requires motorists to carry no-fault insurance known as personal injury protection (PIP) coverage. The purpose of PIP coverage under the No-Fault Law is to provide for medical, surgical, funeral, and disability insurance benefits without regard to who is responsible for a motor vehicle accident. In return for assuring payment of these benefits, the No-Fault Law provides limitations on the right to bring lawsuits arising from motor vehicle accidents. Florida motorists are required to carry \$10,000 of PIP coverage.⁸ However, motorcycles are excluded from this requirement.

¹ ch. 324, F.S.

² ss. 320.02 and 324.011, F.S.

³ ss. 324.031, 324.061, 324.161, and 324.171, F.S. Businesses that choose to self-insure the financial responsibility requirements must deposit \$30,000 per vehicle, up to a maximum of \$120,000, with the DHSMV and maintain excess insurance with limits of \$125,000/\$250,000/\$300,000. Individuals that choose to self-insure must deposit \$30,000 with the DHSMV. Individuals and businesses can also obtain a certificate of self-insurance to satisfy the financial responsibility requirements. Individuals must have an unencumbered net worth of \$40,000 and businesses must have either an unencumbered net worth of \$40,000 for the first vehicle and \$20,000 for each additional vehicle or a sufficient net worth determined by the DHSMV by rule. Currently, the applicable rule provides that \$40,000 for the first vehicle and an amount less than \$20,000 for each additional vehicle is sufficient if the applicant carries excess insurance in the amounts of \$25,000/\$50,000/\$100,000. The amount applicable to each additional vehicle is determined annually under a "Manual of Financial Responsibility Rates" (Revised 05-89) adopted by rule by the Office of Insurance Regulation. Rule 15A-3.011, F.A.C.

⁴ s. 324.022, F.S.

⁵ s. 324.0221(2), F.S. Failure to maintain PIP coverage will also result in suspension of the driver's license and vehicle registration.

⁶ s. 324.0221(3), F.S.

⁷ ss. 627.730-627.7405, F.S.

⁸ s. 627.7275, F.S. Under Florida's Financial Responsibility Law (ch. 324, F.S.), motorists must also provide proof of ability to pay monetary damages for Bodily Injury and Property Damage liability at the time of motor vehicle accidents or when serious traffic violations occur. The Financial Responsibility Law requires \$10,000, per person, and \$20,000, per incident, of Bodily Injury coverage, and \$10,000 of Property Damage liability coverage.

PIP General Provisions

<i>Required Coverage</i>	All owners or registrants of motor vehicles with four or more wheels, except school buses, limos, and taxicabs, are required to carry PIP. ⁹
<i>Individuals Covered</i>	The named insured, relatives living in the same household, persons operating the vehicle, passengers in the vehicle, and persons struck and injured while not occupying the vehicle.
<i>Tort Limitation</i>	Limited exemption from tort liability; injured persons may pursue certain tort claims as specified by the PIP law.
<i>Benefits</i>	\$10,000 in emergency medical and disability benefits (limited to \$2,500 in medical benefits for non-emergency medical conditions) and \$5,000 in death benefits. Coverage of 60 percent of lost income due to disability.
<i>Timely Treatment</i>	Medical benefits are paid only if initial treatment is received within 14 days of the accident.
<i>Timely Payment</i>	Payments are overdue if not paid within 30 days of insurer receipt of written notice.
<i>Medical Reimbursement</i>	80 percent of reasonable medical expenses paid to eligible medical providers. ¹⁰
<i>Excluded Treatment</i>	Massage and acupuncture are not PIP medical benefits. Services, supplies, or care that is not reimbursable under Medicare or workers' compensation is not required to be reimbursed by the insurer.
<i>Attorney Fees</i>	Prevailing insureds and beneficiaries may receive a reasonable attorney fees award.

PIP in Other States

Only 17 jurisdictions have compulsory PIP laws. Of those with compulsory PIP laws, only nine have No-Fault laws. Five jurisdictions, including some that do not have compulsory PIP laws, give the insured the option to choose No-Fault protections. Over the last couple of decades, 24 jurisdictions have repealed their No-Fault laws or made them non-compulsory.¹¹

Jurisdiction	Compulsory PIP	No-Fault
Arizona	Yes	No
Delaware	Yes	No
District of Columbia	Yes	Optional
Florida	Yes	Yes
Hawaii	Yes	Yes
Kansas	Yes	Yes
Kentucky	Yes	Optional
Maryland	Yes	No
Massachusetts	Yes	Yes
Michigan	Yes	Yes
Minnesota	Yes	Yes

⁹ This includes non-resident owners who keep a vehicle in Florida for more than 90 days during the previous 365 days. s. 627.733(2), F.S.

¹⁰ Insurers may limit reimbursements to a fee schedule tied to the Medicare allowed amount. s. 627.736(5)(a)1., F.S. For many services, 80 percent of 200 percent of the Medicare allowed amount is the standard reimbursement under this fee schedule.

¹¹ National Association of Insurance Commissioners, *Final Auto Study Group Report* (Nov. 18, 2014) and Insurance Information Institute, *Compulsory Auto/Uninsured Motorists* (Sept. 2016) <http://www.iii.org/issue-update/compulsory-auto-uninsured-motorists> (last visited Mar. 23, 2017).

New Jersey	Yes	Optional
New York	Yes	Yes
North Dakota	Yes	Yes
Oregon	Yes	No
Pennsylvania	Yes	Optional
Texas	No	Optional
Utah	Yes	Yes
Washington	No	No

Recent Legislative History

The Florida PIP law has been revised multiple times following a Statewide Grand Jury in 2000 that found rampant fraud in the PIP system. PIP reform legislation was enacted in 2001 and 2003. The 2003 legislation included a sunset of the PIP law on October 1, 2007. A Governor's veto of a bill extending the sunset of the law resulted in the law expiring in 2007. Following a 2007 Special Session, the PIP law was revived effective January 1, 2008. The PIP law was again revised in 2012.

PIP Reform

The reforms enacted between 2001 and 2012 included: establishing requirements for and limiting access to motor vehicle crash reports; providing limitations on medical services, reimbursement, and eligible providers; requiring provider licensing; requiring pre-suit demand letters; increasing criminal penalties; defining certain activities by claims handlers as unfair and deceptive trade practices; establishing limitations on benefits for emergency and non-emergency medical conditions; and, creating limitations on attorney's fees.

The 2012 reform required insurers to make rate filings by October 1, 2012, and January 1, 2014, that provided a minimum 10 percent and 25 percent decrease in PIP premiums, respectively. However, insurers were permitted to file and the Office of Insurance Regulation (OIR) was permitted to approve smaller decreases or increases, if appropriately justified. This resulted in an estimated average statewide rate decrease in PIP premiums of 13.2 percent, as of January 22, 2014. This legislation also required OIR to issue a PIP data call and report the results. OIR reported the data call results on January 1, 2015 (see Recent Reports by OIR, below).

PIP Repeal Proposals

The PIP law has been the subject of multiple repeal proposals over the last several years. Bills were considered in 2013, 2014, and 2015 that would have repealed PIP and required increased BI coverage under the Financial Responsibility Law.¹² The House bills died in the Insurance & Banking Subcommittee. A bill was filed in 2016 that would have repealed PIP, effective January 1, 2019, but would have maintained current BI and PD requirements. The bill died in the Insurance & Banking Subcommittee.

Recent Changes

As part of a pair of broader insurance related bills, the PIP law was amended in 2015 and 2016. HB 165 (2015) clarified the application of the PIP medical reimbursement fee schedule. HB 165 (2015) and HB 659 (2016) each created an additional exemption from a licensure requirement under the PIP law that permits reimbursement of certain health care clinics for PIP related medical services.

¹² ch. 324, F.S.
 STORAGE NAME: h1063a.COM.DOCX
 DATE: 4/11/2017

Recent Reports by OIR

PIP Data Call

The 2012 reform, HB 119, required OIR to perform a comprehensive data call regarding PIP. Thirty-five insurers representing 83.5 percent of the market participated in the data call. This included the top 25 insurers, by market share. Information from several insurers was not used due to data quality issues. OIR published their analysis of the data call on January 1, 2015. The report provided detailed information on seven of the eight required elements mentioned in the bill. The bill required the report to address, at a minimum, the following points:

1. Quantity of personal injury protection claims.
2. Type or nature of claimants.
3. Amount and type of personal injury protection benefits paid and expenses incurred.
4. Type and quantity of, and charges for, medical benefits.
5. Attorney fees related to bringing and defending actions for benefits.
6. Direct earned premiums for personal injury protection coverage, pure loss ratios, pure premiums, and other information related to premiums and losses.
7. Licensed drivers and accidents.
8. Fraud and enforcement.

The published report did not include detail or analysis regarding item 5. However, the report included limited information about insurer costs related to defense of claims, which includes attorney fees. All other items were documented and analyzed in detail.

While OIR did not provide a summary of their findings in the body of the report, they summarized their findings in a press release dated January 5, 2015,¹³ as follows:

The findings showed a general decrease in the per claim costs and the overall number of claims (frequency and severity) for PIP since the implementation of HB 119 on January 1, 2013. The regional analysis concludes that South Florida and the Tampa/St. Petersburg regions experienced the most significant decreases in Florida. However, the data also exposed that other coverages, such as Bodily Injury (BI) and Uninsured Motorists (UM), experienced increases in both frequency and severity when some benefits covered under PIP moved to these coverages. These trends are expected to continue over the next year.

Prior to 2012 and the passage of this law, the pervasive nature of PIP fraud and staged auto accidents created an unsustainable cost trajectory of PIP claims. The Division of Insurance Fraud (DIF), within the Department of Financial Services (DFS), is responsible for investigating this type of fraud. According to the DIF, there has been a substantial decline in PIP fraud since the implementation of HB 119 with a projected 16% decrease during Fiscal Year 2013 – 2014 from Fiscal Year 2011- 2012.

The Office also compiled a summary of the rate filings effective on or after January 1, 2011 for the top 25 insurers representing 80.9% of the total personal auto market in Florida. These filings were segregated into two sets of data: Pre-HB 119 and Post-HB 119 (to include all filings submitted since, and including, the first required HB 119 filing due on October 1, 2012). The average statewide approved rate changes were:

¹³ FLORIDA OFFICE OF INSURANCE REGULATION, *News Releases, Office Releases Personal Injury Protection (PIP) Insurance Data Call Report*, <http://www.flor.com/PressReleases/viewmediarelease.aspx?id=2094> (last visited Mar. 23, 2017).

	Pre-HB 119	HB 119
PIP	+46.3%	-13.6%
Liability (incl. PIP)	+20.9%	-0.5%
Overall (incl. Comp. & Coll.)	+12.9%	-0.1%

The report noted many insurers had residual rate need due to deteriorating PIP experience prior to the implementation of the bill that were used to offset some of the expected savings from HB 119. For an individual policyholder, the rate changes may vary considerably from the statewide averages listed above, taking into account other factors, such as differences by insurer, by territory, etc.

Overall, there was limited data available to determine the true impact of HB 119; however, the data call analysis reveals the law has had a major impact on the personal auto market and changed the trajectory of trends being seen prior to its enactment.

The report also documented an increase in the frequency of automobile crashes in Florida during 2013 and 2014. Data from the DHSMV shows that this trend continued through 2015. OIR reported that crash frequency per 100 licensed drivers in Florida had dropped by 13.7 percent from 2004 to 2011. In 2011, there were 1.48 crashes per 100 licensed drivers. For 2015, crash frequency increased over 61 percent to 2.40 crashes per 100 licensed drivers.

OIR Cost Projection on Certain PIP Reform Proposals

In June 2016, OIR contracted with Pinnacle Actuarial Resources (Pinnacle) for actuarial services to produce a "Review of PIP Legislation."¹⁴ The objective of the review was to "provide a draft and final report documenting [a] comprehensive study on the effect of HB 119 and the potential impact to Floridians if the personal injury protection coverage requirements were repealed and replaced with varying levels of Bodily Injury coverage, or if the current requirements to purchase auto insurance were completely repealed." Pinnacle is the same vendor that produced the 2012 rate impact analysis that was required by HB 119 (2012).¹⁵

Pinnacle issued their report on September 13, 2016.¹⁶ They found that:

- The study of HB 119 evaluated sixteen provisions of the bill and concluded that the HB 119 reforms produced an estimated aggregate savings since enactment in PIP claim costs of 17.5 percent and an estimated statewide average savings in PIP premiums of 15.1 percent.
- If no-fault insurance is repealed in Florida, there would be an estimated overall reduction in premiums of 9.6 percent on the *liability coverage package* or \$81 per car annually for the average driver. For *all coverages combined*, the estimated premium decrease is 6.7 percent.
- Finally, an analysis of premium impacts if the requirement to purchase auto insurance was repealed in addition to the repeal of no-fault insurance found there would be an estimated additional reduction in the PIP repeal savings of 0.2 - 0.4 percent.

Pinnacle also provided estimates that considered the outcome if the consumer purchased Medical Payments (Med Pay) coverage, at either \$2,500 or \$5,000 coverage limits, and if the BI limit was increased by law to \$25K/\$50K. The following table illustrates the estimated savings in each scenario.

¹⁴ DFS OIR RFP 15/16-15, *Actuarial Consulting Services for Review of PIP Legislation*, http://www.myflorida.com/apps/vbs/vbs_pdf.download_file?p_file=F18316_DFSOIRRFP151615PIPActuarialStudy.pdf (last visited Mar. 23, 2017).

¹⁵ In 2012, Pinnacle Actuarial Resources, Inc., was retained by OIR to conduct an independent actuarial study to calculate the savings to be expected as a result of HB 119 (2012). s. 15, HB 119 (2012). The report was published by OIR on August 21, 2012. FLORIDA OFFICE OF INSURANCE REGULATION, *Press Release*, <http://www.floir.com/PressReleases/viewmediarelease.aspx?id=1956> (last visited Mar. 23, 2017).

¹⁶ FLORIDA OFFICE OF INSURANCE REGULATION, *Press Release*, <http://www.floir.com/PressReleases/viewmediarelease.aspx?id=2175> (last visited Mar. 24, 2017).

Estimated Savings on Auto Insurance Premiums, by Scenario			
Situation	Coverage Type	Require BI at \$10K/\$20K	Require BI at \$25K/\$50K
PIP repeal	Liabilities, only ¹⁷	9.6%	8.1%
	Overall	6.7%	5.6%
PIP repeal and \$2,500 Med Pay	Liabilities, only	4.9%	3.4%
	Overall	3.4%	2.4%
PIP repeal and \$5,000 Med Pay	Liabilities, only	1.0%	-0.5%
	Overall	0.7%	-0.3%

Overview of Colorado PIP Insurance Reform

Colorado had a no-fault auto insurance law from 1974 to 2003. In reaction to increasing costs of auto insurance, including a 38 percent increase in auto premiums from 1992 to 2002, Colorado repealed their no-fault law, effective July 2003. Now, Colorado crash liabilities are handled through the tort system. Under the tort system the person at fault in an auto crash is responsible for paying the losses of the victim. This right is enforced in civil court.

Prior to the change, Colorado had the ninth highest premium per insured auto in the nation. For 2013 (the most current year available), Colorado had the 23rd highest auto premium in the nation. According to the Colorado Legislative Council Staff, auto premiums in the state as of January 2007 had decreased ten to 14 percent following the elimination of the no-fault system.¹⁸

In comparison, according to data from the National Association of Insurance Commissioners and reported by the Insurance Information Institute, from 2006 through 2013, Florida has consistently ranked fifth in the nation for highest average auto insurance cost per vehicle. Florida ranked as low as sixth in 2009 and as high as fourth in 2008 and 2012, with the remaining years being ranked fifth, including 2013 (the most recent year reported).¹⁹

	Colorado			Florida		
	Average Auto Premium Cost	National Rank	Percent Change over 2002 Cost	Average Auto Premium Cost	National Rank	Percent Change over 2003 Cost
2002	\$921.00	9		n/a	n/a	
2003	\$923.00	12		\$1,018.00	5	
2004	\$850.00	18	-7.7%	\$1,062.00	5	4.3%
2005	\$829.00	21	-10.0%	\$1,064.00	6	4.5%
2006	\$785.00	23	-14.8%	\$1,069.00	5	5.0%
2007	\$738.00	24	-19.9%	\$1,043.00	5	2.5%
2008	\$728.67	26	-20.9%	\$1,054.89	5	3.6%
2009	\$741.28	22	-19.5%	\$1,006.20	6	-1.2%
2010	\$730.42	25	-20.7%	\$1,037.36	5	1.9%
2011	\$723.61	27	-21.4%	\$1,090.58	5	7.1%
2012	\$737.95	25	-19.9%	\$1,127.93	4	10.8%
2013	\$777.74	23	-15.6%	\$1,143.83	5	12.4%

¹⁷ "Liabilities, only" includes Bodily Injury, Personal Injury Protection, Uninsured Motorist, and Property Damage coverages.

¹⁸ Colorado Legislative Council, *Issue Brief Number 07-01, Automobile Insurance in Colorado*, Jan. 2007.

¹⁹ INSURANCE INFORMATION INSTITUTE, *Auto Insurance, Costs and Expenditures*, <http://www.iii.org/table-archive/21247> (last visited Mar. 23, 2017).

2016 Private Passenger Auto Insurance Requirement Comparison

	Colorado	Florida
No-fault/PIP	None	\$10,000 medical, disability and funeral Non-emergency medical limited to \$2,500 Mandatory for vehicle registration
Bodily Injury or Death	\$25,000 per person, \$50,000 per accident Mandatory for vehicle registration	\$10,000 per person, \$20,000 per accident, or \$30,000 single limit Mandatory, may be secured post-registration
Property Damage	\$15,000 Mandatory for vehicle registration	\$10,000 Mandatory for vehicle registration
Uninsured/Under-insured Motorist	Mandatory offer at BI/PD limits, written rejection required	Mandatory coverage at BI limits, if BI purchased; written rejection required
Medical Payment	\$5,000 mandatory offer, written rejection required	Optional

Impacts of the Colorado Reform

In February 2008, the Office of the Governor of Colorado published a report that studied the impacts of the repeal of the no-fault system on auto insurance, health insurance, the trauma system, Medicaid and Colorado Indigent Care Program, and consumers.²⁰ The report's findings include the following:

AUTO INSURANCE

- For the eight largest auto insurers in Colorado by market share, average auto insurance premiums declined 35 percent from July 2003 to December 2007.
- The average premium decrease attributable to the elimination of PIP was 22 percent immediately following the repeal of no-fault.²¹
- Colorado's national rank for average annual auto insurance premium per vehicle fell following the repeal.
- Premiums for each of the non-PIP auto coverage types increased, except comprehensive coverage (no baseline data was available for medical payment coverage, so the effect was unknown).
- 99 percent of Colorado auto insurers were offering medical payment coverage post-reform and 31 percent of consumers were purchasing this coverage.

HEALTH INSURANCE

- Based on the responses of health insurers (totaling 1.57 million policyholders) to a 2003 survey by the Colorado Division of Insurance, health insurance premiums were estimated to increase by 1.6 percent.

TRAUMA SYSTEM

Hospitals

- The report could not quantify the impact on acute care hospital reimbursements for emergency and outpatient services.
- Comparing payments for 2002 to those for 2006 for inpatient care of auto accident patients at acute care hospitals, the percentage of payments from private insurance, which includes both auto and health insurance, decreased by about one third (75.4 percent for 2002 and 49.3 percent for 2006).

²⁰ BBC Research & Consulting, *Auto Insurance/Trauma System Study*, 5, Feb. 2008.

²¹ Information in *Issue Brief Number 07-01* and the *Auto Insurance/Trauma System Study* are seemingly at odds in regard to the change in auto premiums post-reform. The reason for the difference may be that *Issue Brief Number 07-01* is referencing the change in average premiums for Colorado overall at January 2007 and the *Auto Insurance/Trauma System Study* is only focused on the eight largest auto insurers in Colorado at December 2007.

The proportion of payment by all other payer types increased. The greatest increase was in self-payment (13.4 percent in 2002 and 27.2 percent in 2006). Self-payment may also include self-filing of insurance. Medicare showed the next highest increase (2.9 percent in 2002 and 7.7 percent in 2006).

- A similar pattern was seen in all inpatient cases; however, the amount of the decrease in the proportion of private insurance payments was much less (51.1 percent for 2002 and 46.6 percent for 2006).
- The reimbursement rate (percent of charge reimbursed) for acute care hospital inpatient auto crash patients fell from 60 percent to 36 percent for hospitals that responded to a survey. The cause of the reduction was asserted to be more patients without insurance and, for patients with insurance, more payments were based on negotiated rates (non-PIP insurers were asserted to rely more on negotiated rates).

Emergency Medical First Responders

- Based on a small sample of first responders, i.e., those that could provide detailed billing and reimbursement information, non-reimbursed charges increased 37 percent for 2006 over 2002. Governmental first responders indicated that they made up deficits related to reduced patient care/transfer reimbursements from non-user sources such as taxes and general fund transfers.
- The average number of days to collect first responder payment on auto crash related cases increased from 74 days in 2002 to 144 days in 2006.

MEDICAID AND COLORADO INDIGENT CARE PROGRAM

- Medicaid – the Medicaid program’s exposure to auto crash claims increased, but the cost could not be quantified.
- Colorado Indigent Care Program – while exposure was increased, caps on the federal and state portions of the program’s funding limited increases in expenditures. This increases unreimbursed provider charges.

Effect of the Bill

Effective January 1, 2018, the bill repeals the portions of the Florida Motor Vehicle No-Fault Law (PIP) that require owners and operators to obtain and maintain PIP coverage. It retains the portions of the law that govern administration of existing coverage and rights to allow coverage and claims based on PIP prior to January 1, 2018, to run their course. It also provides for continued enforcement of suspensions, revocations, and anti-fraud measures for actions occurring under the PIP law.

Changes to Financial Responsibility

Beginning January 1, 2018, proof of compliance with the Financial Responsibility Law (BI coverage) will be required at the time of registration of a motor vehicle,²² instead of post-registration or at the time of an accident as is currently required. It increases the minimum BI coverage limits from \$10,000 per person and \$20,000 per incident to \$25,000 per person and \$50,000 per incident. The minimum PD coverage limit is not changed. This results in required 25/50/10 coverage in most instances.

The minimum security limits for self-insurance of financial responsibility requirements are increased in the following ways:

- For individuals:
 - Certificate of deposit – increased from \$30,000 to \$60,000.
 - Certificate of self-insurance – increased from \$40,000 to \$60,000.

²² Proof of compliance with the Financial Responsibility Law does not change for motorcycles.

- For businesses:
 - Certificate of deposit – increased from \$30,000 to \$60,000.
 - Certificate of self-insurance – increased from \$40,000 for the first vehicle and \$20,000 for each additional vehicle to \$60,000 and \$30,000, respectively.

Transition of Coverages

The bill provides for the transition of motor vehicle insurance policies into compliance with the changes made by the bill if the policies were issued prior to January 1, 2018, but are in force on that date. Those issued on or after January 1, 2018, are prohibited from including PIP coverage. In force policies that were issued in compliance with law at the time of issuance are deemed to meet the new requirements until renewed, nonrenewed, or canceled. Insurers are required to allow policyholders with PIP coverage to obtain BI coverage that complies with the changes made by the bill without charge other than changes in premium due. Payment of the change in premium and refunds, if either result from the change in coverage, depending upon the actual coverages on the policy, are required.

Notice Requirements

Insurers are required to provide a notice, by September 1, 2017, informing motor vehicle policyholders that effective January 1, 2018:

- The Florida Motor Vehicle No-Fault Law (PIP) is repealed,
- The policyholder is no longer required to carry PIP coverage,
- PIP is no longer available for purchase,
- New or renewal coverage will not include PIP,
- New BI requirements begin on January 1, 2018, which are 25/50/10,
- A policyholder may obtain uninsured/underinsured motorist coverage to protect themselves and their insureds from damages caused by an uninsured/underinsured driver,
- Policies that comply with the requirements of law at the time of issue are deemed to meet the new requirements, until the policy is renewed, nonrenewed, or canceled,
- They may change their policy to comply with the new requirements, and
- They may contact the name and telephone number provided in the notice with questions.

The notice is also required to state that PIP provides medical payments coverage for the policyholder, passengers, and resident relatives,²³ while BI protects the insured against loss if they are at fault in an accident and are legally responsible for bodily injuries or deaths of others. The notice is subject to approval by OIR.

Motor Vehicle Liability Policy Changes

The bill provides that resident relatives must be included in coverage provided by motor vehicle liability policies. It limits coverage of motor vehicles that are not identified on the policy, if an individual insured by the policy has owned the vehicle, or the temporary vehicle was furnished for regular use, for more than 30 consecutive days.

Tort Liability

By repealing PIP, the bill removes the limitation on tort liability provided under PIP. When drivers are at fault in an accident, they will be fully liable for any damages they cause. Due to this change, the bill expands the scope of legal liabilities covered under an uninsured/underinsured motorist policy. Beginning January 1, 2018, uninsured/underinsured motorist policies will cover tort claims for pain,

²³ A "resident relative" is defined to mean "a person related to a named insured by any degree by blood, marriage, or adoption, including a ward or foster child, who usually makes her or his home in the same family unit as the named insured, whether or not he or she is temporarily living elsewhere."

suffering, disability or physical impairment, disfigurement, mental anguish, inconvenience, and the loss of capacity for the enjoyment of life experienced in the past and to be experienced in the future.²⁴

B. SECTION DIRECTORY:

- Section 1:** Amends s. 316.646, F.S., relating to security required; proof of security and display thereof.
- Section 2:** Amends s. 318.18, F.S., relating to amount of penalties.
- Section 3:** Amends s. 320.02, F.S., relating to registration required; application for registration; forms.
- Section 4:** Amends s. 320.0609, F.S., relating to transfer and exchange of registration license plates; transfer fee.
- Section 5:** Amends s. 320.27, F.S., relating to motor vehicle dealers.
- Section 6:** Amends s. 320.771, F.S., relating to license required of recreational vehicle dealers.
- Section 7:** Amends s. 324.011, F.S., relating to purpose of chapter.
- Section 8:** Creates s. 324.015, F.S., relating to applicability; notice to policyholders.
- Section 9:** Amends s. 324.021, F.S., relating to definitions; minimum insurance required.
- Section 10:** Amends s. 324.022, F.S., relating to financial responsibility for property damage.
- Section 11:** Amends s. 324.0221, F.S., relating to reports by insurers to the department; suspension of driver license and vehicle registrations; reinstatement.
- Section 12:** Amends s. 324.051, F.S., relating to reports of crashes; suspensions of licenses and registrations.
- Section 13:** Amends s. 324.091, F.S., relating to notice to department; notice to insurer.
- Section 14:** Amends s. 324.151, F.S., relating to motor vehicle liability policies; required provisions.
- Section 15:** Amends s. 324.161, F.S., relating to proof of financial responsibility; deposit.
- Section 16:** Amends s. 324.171, F.S., relating to self-insurer.
- Section 17:** Amends s. 324.251, F.S., relating to short title.
- Section 18:** Amends s. 626.9541, F.S., relating to unfair methods of competition and unfair or deceptive acts or practices defined.
- Section 19:** Amends s. 627.06501, F.S., relating to insurance discounts for certain persons completing driver improvement course.
- Section 20:** Amends s. 627.0652, F.S., relating to insurance discounts for certain persons completing safety course.
- Section 21:** Amends s. 627.0653, F.S., relating to insurance discounts for specified motor vehicle equipment.
- Section 22:** Amends s. 627.4132, F.S., relating to stacking of coverages prohibited.

²⁴ The limitation on tort liability provided in the PIP law will continue to apply to coverage issued on or before December 31, 2017.

- Section 23:** Amends s. 627.7263, F.S., relating to rental and leasing driver's insurance to be primary; exception.
- Section 24:** Amends s. 627.727, F.S., relating to motor vehicle insurance; uninsured and underinsured vehicle coverage; insolvent insurer protection.
- Section 25:** Amends s. 627.7275, F.S., relating to motor vehicle liability.
- Section 26:** Amends s. 627.728, F.S., relating to cancellations; nonrenewals.
- Section 27:** Amends s. 627.7295, F.S., relating to motor vehicle insurance contracts.
- Section 28:** Repeals ss. 627.730, 627.731, 627.7311, 627.739, and 627.7401, F.S., relating to Florida Motor Vehicle No-Fault Law.
- Section 29:** Repeals s. 627.7407, F.S., relating to application of the Florida Motor Vehicle No-Fault Law.
- Section 30:** Provides that ss. 627.732, 627.733, 627.734, 627.736, 627.737, 627.7403, and 627.7405, F.S., apply to policies under the Florida Motor Vehicle No-Fault Law that are in force on or before December 31, 2017.
- Section 31:** Amends s. 627.8405, F.S., relating to prohibited acts; financing companies.
- Section 32:** Amends s. 627.915, F.S., relating to insurer experience reporting.
- Section 33:** Amends s. 628.909, F.S., relating to applicability of other laws.
- Section 34:** Provides an effective date of January 1, 2018, except as otherwise expressly provided by the bill.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

Indeterminate. An OIR agency analysis of the bill has not been received as of April 10, 2017.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Indeterminate. Motor vehicle insurers will be required to file new forms and rates and adjust their practices consistent with the changes made by the bill. Individuals and businesses will have to secure coverage that complies with these changes, as well.

In a September 2016 report from OIR, Pinnacle Actuarial Resources estimated the premium impacts of PIP repeal on consumers that carry a complete set of automobile insurance coverages.²⁵ Pinnacle also provided estimates that considered the outcome if the BI limit was increased by law to 25/50. They estimated that consumers would save 8.1 percent in liabilities only²⁶ premiums and 5.6 percent in overall motor vehicle premiums or \$68.12 per car annually. Pinnacle also projected some negative impact on health care providers and health care insurance premiums due to the elimination of PIP.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill neither authorizes nor requires administrative rulemaking.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On March 27, 2017, the Insurance & Banking Subcommittee considered a proposed committee substitute, adopted one amendment, and reported the bill favorably as a committee substitute. The amendment made a technical change. The changes made by the proposed committee substitute include:

- Removed proposed regulations for optional motor vehicle medical payments insurance coverage,
- Maintained current administrative requirements applicable to motorcycles, except for participation in increased minimum statutory limits for BI coverage (i.e., 25/50, not 10/20),
- Retained select provisions of the PIP law governing administration of benefits and rights,
- Eliminated proposed increases to BI limits applicable to certain types of vehicles or owners that are exceptions to the generally applicable BI coverage requirement,
- Removed proposed statutory restructuring and definitions applicable to nonpublic sector buses, for-hire motor vehicles, and commercial motor vehicles,
- Restored current law regarding fee amounts for license and registration reinstatements, and
- Retained the public records exemption applicable to sensitive information contained in PIP related public records.

The staff analysis has been updated to reflect the committee substitute.

²⁵ *Supra* note 15 at app. 3, p. 1 (p. 272).

²⁶ "Liabilities, only" includes Bodily Injury, Personal Injury Protection, Uninsured Motorist, and Property Damage coverages.

26 revising provisions relating to certain motor vehicle
 27 liability policies; amending s. 324.161, F.S.;
 28 revising deposit requirements for self-insurers;
 29 amending s. 324.171, F.S.; revising conditions under
 30 which a person is able to obtain a certificate of
 31 self-insurance; conforming provisions to changes made
 32 by the act; amending s. 324.251, F.S.; revising a
 33 short title; amending s. 627.727, F.S.; conforming
 34 provisions to changes made by the act; revising legal
 35 liability of an uninsured motorist coverage insurer;
 36 repealing ss. 627.730, 627.731, 627.7311, 627.739, and
 37 627.7401, F.S., relating to Florida Motor Vehicle No-
 38 Fault Law; repealing s. 627.7407, F.S., relating to
 39 the application of the Florida Motor Vehicle No-Fault
 40 Law; providing applicability for certain policies
 41 issued under the Florida Motor Vehicle No-Fault Law;
 42 amending ss. 318.18, 320.02, 320.0609, 320.27,
 43 320.771, 324.051, 324.091, 626.9541, 627.06501,
 44 627.0652, 627.0653, 627.4132, 627.7263, 627.7275,
 45 627.728, 627.7295, 627.736, 627.8405, 627.915, and
 46 628.909, F.S.; conforming provisions to changes made
 47 by the act; providing effective dates.

48
 49 Be It Enacted by the Legislature of the State of Florida:
 50

51 Section 1. Subsection (1) of section 316.646, Florida
 52 Statutes, is amended to read:

53 316.646 Security required; proof of security and display
 54 thereof.—

55 (1) A ~~Any~~ person required by s. 324.022 or s. 324.023 to
 56 maintain bodily injury or death and property damage liability
 57 coverage must security, required by s. 324.023 to maintain
 58 ~~liability security for bodily injury or death, or required by s.~~
 59 ~~627.733 to maintain personal injury protection security on a~~
 60 ~~motor vehicle shall~~ have in his or her immediate possession at
 61 all times while operating such motor vehicle proper proof of
 62 maintenance of the ~~required~~ security in the amount stated in s.
 63 324.021(7).

64 (a) Such proof shall be in a uniform paper or electronic
 65 format, as prescribed by the department, a valid insurance
 66 policy, an insurance policy binder, a certificate of insurance,
 67 or such other proof as may be prescribed by the department.

68 (b)1. The act of presenting to a law enforcement officer
 69 an electronic device displaying proof of insurance in an
 70 electronic format does not constitute consent for the officer to
 71 access any information on the device other than the displayed
 72 proof of insurance.

73 2. The person who presents the device to the officer
 74 assumes the liability for any resulting damage to the device.

75 Section 2. Paragraph (b) of subsection (2) of section

76 318.18, Florida Statutes, is amended to read:

77 318.18 Amount of penalties.—The penalties required for a
 78 noncriminal disposition pursuant to s. 318.14 or a criminal
 79 offense listed in s. 318.17 are as follows:

80 (2) Thirty dollars for all nonmoving traffic violations
 81 and:

82 (b) For all violations of ss. 320.0605, 320.07(1),
 83 322.065, and 322.15(1). Any person who is cited for a violation
 84 of s. 320.07(1) shall be charged a delinquent fee pursuant to s.
 85 320.07(4).

86 1. If a person who is cited for a violation of s. 320.0605
 87 or s. 320.07 can show proof of having a valid registration at
 88 the time of arrest, the clerk of the court may dismiss the case
 89 and may assess a dismissal fee of up to \$10. A person who finds
 90 it impossible or impractical to obtain a valid registration
 91 certificate must submit an affidavit detailing the reasons for
 92 the impossibility or impracticality. The reasons may include,
 93 but are not limited to, the fact that the vehicle was sold,
 94 stolen, or destroyed; that the state in which the vehicle is
 95 registered does not issue a certificate of registration; or that
 96 the vehicle is owned by another person.

97 2. If a person who is cited for a violation of s. 322.03,
 98 s. 322.065, or s. 322.15 can show a driver license issued to him
 99 or her and valid at the time of arrest, the clerk of the court
 100 may dismiss the case and may assess a dismissal fee of up to

101 \$10.

102 3. If a person who is cited for a violation of s. 316.646
 103 can show proof of security as required by s. 324.021(7) ~~627.733~~,
 104 issued to the person and valid at the time of arrest, the clerk
 105 of the court may dismiss the case and may assess a dismissal fee
 106 of up to \$10. A person who finds it impossible or impractical to
 107 obtain proof of security must submit an affidavit detailing the
 108 reasons for the impracticality. The reasons may include, but are
 109 not limited to, the fact that the vehicle has since been sold,
 110 stolen, or destroyed; ~~that the owner or registrant of the~~
 111 ~~vehicle is not required by s. 627.733 to maintain personal~~
 112 ~~injury protection insurance;~~ or that the vehicle is owned by
 113 another person.

114 Section 3. Paragraphs (a) and (d) of subsection (5) of
 115 section 320.02, Florida Statutes, are amended to read:

116 320.02 Registration required; application for
 117 registration; forms.-

118 (5)(a) Proof that liability coverage has ~~personal injury~~
 119 ~~protection benefits have~~ been purchased if required under s.
 120 324.022, s. 324.023, s. 324.032, s. 627.7415, or s. 627.742
 121 ~~627.733, that property damage liability coverage has been~~
 122 ~~purchased as required under s. 324.022, that bodily injury or~~
 123 ~~death coverage has been purchased if required under s. 324.023,~~
 124 ~~and that combined bodily liability insurance and property damage~~
 125 ~~liability insurance have been purchased if required under s.~~

126 ~~627.7415~~ shall be provided in the manner prescribed by law by
 127 the applicant at the time of application for registration of any
 128 motor vehicle that is subject to such requirements. The issuing
 129 agent shall not ~~shall refuse to~~ issue registration if such proof
 130 of purchase is not provided. Insurers shall furnish uniform
 131 proof-of-purchase cards in a paper or electronic format in a
 132 form prescribed by the department and include the name of the
 133 insured's insurance company, the coverage identification number,
 134 and the make, year, and vehicle identification number of the
 135 vehicle insured. The card must contain a statement notifying the
 136 applicant of the penalty specified under s. 316.646(4). The card
 137 or insurance policy, insurance policy binder, or certificate of
 138 insurance or a photocopy of any of these; an affidavit
 139 containing the name of the insured's insurance company, the
 140 insured's policy number, and the make and year of the vehicle
 141 insured; or such other proof as may be prescribed by the
 142 department shall constitute sufficient proof of purchase. If an
 143 affidavit is provided as proof, it must be in substantially the
 144 following form:

145
 146 Under penalty of perjury, I ... (Name of insured)... do hereby
 147 certify that I have Bodily Injury Liability and... ~~(Personal~~
 148 ~~Injury Protection, Property Damage Liability coverage, and, if~~
 149 ~~required, Bodily Injury Liability)~~... Insurance currently in
 150 effect with ... (Name of insurance company)... under ... (policy

151 number)... covering ...(make, year, and vehicle identification
 152 number of vehicle).... ...(Signature of Insured)...

153

154 Such affidavit must include the following warning:

155

156 WARNING: GIVING FALSE INFORMATION IN ORDER TO OBTAIN A VEHICLE
 157 REGISTRATION CERTIFICATE IS A CRIMINAL OFFENSE UNDER FLORIDA
 158 LAW. ANYONE GIVING FALSE INFORMATION ON THIS AFFIDAVIT IS
 159 SUBJECT TO PROSECUTION.

160

161 If an application is made through a licensed motor vehicle
 162 dealer as required under s. 319.23, the original or a
 163 photostatic copy of such card, insurance policy, insurance
 164 policy binder, or certificate of insurance or the original
 165 affidavit from the insured shall be forwarded by the dealer to
 166 the tax collector of the county or the Department of Highway
 167 Safety and Motor Vehicles for processing. By executing the
 168 ~~aforesaid~~ affidavit, a ~~no~~ licensed motor vehicle dealer will not
 169 be liable in damages for any inadequacy, insufficiency, or
 170 falsification of any statement contained therein. A card must
 171 also indicate the existence of any bodily injury liability
 172 insurance ~~voluntarily~~ purchased.

173

174 (d) The verifying of ~~proof of personal injury protection~~
 175 ~~insurance~~, proof of property damage liability insurance, proof
 of combined bodily liability insurance and property damage

176 liability insurance, or proof of financial responsibility
 177 insurance and the issuance or failure to issue the motor vehicle
 178 registration under the provisions of this chapter may not be
 179 construed in any court as a warranty of the reliability, ~~or~~
 180 accuracy of the evidence of such proof, or that the provisions
 181 of any insurance policy furnished as proof of financial
 182 responsibility comply with the laws of this state. Neither the
 183 department nor any tax collector is liable in damages for any
 184 inadequacy, insufficiency, falsification, or unauthorized
 185 modification of any item of the ~~proof of personal injury~~
 186 ~~protection insurance,~~ proof of property damage liability
 187 insurance, proof of combined bodily liability insurance and
 188 property damage liability insurance, or proof of financial
 189 responsibility insurance prior to, during, or subsequent to the
 190 verification of the proof. The issuance of a motor vehicle
 191 registration does not constitute prima facie evidence or a
 192 presumption of insurance coverage.

193 Section 4. Paragraph (b) of subsection (1) of section
 194 320.0609, Florida Statutes, is amended to read:

195 320.0609 Transfer and exchange of registration license
 196 plates; transfer fee.—

197 (1)

198 (b) The transfer of a license plate from a vehicle
 199 disposed of to a newly acquired vehicle does not constitute a
 200 new registration. The application for transfer shall be accepted

201 without requiring proof of ~~personal injury protection or~~
 202 liability insurance.

203 Section 5. Subsection (3) of section 320.27, Florida
 204 Statutes, is amended to read:

205 320.27 Motor vehicle dealers.—

206 (3) APPLICATION AND FEE.—The ~~application for the license~~
 207 application shall be in such form as may be prescribed by the
 208 department and is ~~shall be~~ subject to such rules ~~with respect~~
 209 ~~thereto~~ as may be so prescribed by the department ~~it~~. Such
 210 application shall be verified by oath or affirmation and must
 211 ~~shall~~ contain a full statement of the name and birth date of the
 212 person or persons applying for the license ~~therefor~~; the name of
 213 the firm or copartnership, with the names and places of
 214 residence of all members ~~thereof~~, if such applicant is a firm or
 215 copartnership; the names and places of residence of the
 216 principal officers, if the applicant is a body corporate or
 217 other artificial body; the name of the state under whose laws
 218 the corporation is organized; the present and former place or
 219 places of residence of the applicant; and the prior business in
 220 which the applicant has been engaged and its ~~the~~ location
 221 ~~thereof~~. The ~~Such~~ application must ~~shall~~ describe the exact
 222 location of the place of business and must ~~shall~~ state whether
 223 the place of business is owned by the applicant and when
 224 acquired, or, if leased, a true copy of the lease shall be
 225 attached to the application. The applicant shall certify that

226 the location provides an adequately equipped office and is not a
227 residence; that the location affords sufficient unoccupied space
228 upon and within which adequately to store all motor vehicles
229 offered and displayed for sale; and that the location is a
230 suitable place where the applicant can in good faith carry on
231 such business and keep and maintain books, records, and files
232 necessary to conduct such business, which shall be available at
233 all reasonable hours to inspection by the department or any of
234 its inspectors or other employees. The applicant shall certify
235 that the business of a motor vehicle dealer is the principal
236 business that will ~~which shall~~ be conducted at that location.
237 The application must ~~shall~~ contain a statement that the
238 applicant is either franchised by a manufacturer of motor
239 vehicles, in which case the name of each motor vehicle that the
240 applicant is franchised to sell shall be included, or an
241 independent (nonfranchised) motor vehicle dealer. The
242 application must ~~shall~~ contain other relevant information as may
243 be required by the department., ~~including~~ The applicant must
244 furnish evidence, in a form approved by the department, that the
245 applicant is insured under a garage liability insurance policy
246 or a general liability insurance policy coupled with a business
247 automobile policy, which shall include, at a minimum, \$25,000
248 combined single-limit bodily injury and property damage
249 liability coverage ~~including bodily injury and property damage~~
250 ~~protection and \$10,000 personal injury protection.~~ However, a

251 salvage motor vehicle dealer as defined in subparagraph (1)(c)5.
 252 is exempt from the requirements for garage liability insurance
 253 ~~and personal injury protection insurance~~ on those vehicles that
 254 cannot be legally operated on roads, highways, or streets in
 255 this state. Franchise dealers must submit a garage liability
 256 insurance policy, and all other dealers must submit a garage
 257 liability insurance policy or a general liability insurance
 258 policy coupled with a business automobile policy. Such policy
 259 shall be for the license period, and evidence of a new or
 260 continued policy shall be delivered to the department at the
 261 beginning of each license period. Upon making initial
 262 application, the applicant shall pay to the department a fee of
 263 \$300 in addition to any other fees required by law. Applicants
 264 may choose to extend the licensure period for 1 additional year
 265 for a total of 2 years. An initial applicant shall pay to the
 266 department a fee of \$300 for the first year and \$75 for the
 267 second year, in addition to any other fees required by law. An
 268 applicant for renewal shall pay to the department \$75 for a 1-
 269 year renewal or \$150 for a 2-year renewal, in addition to any
 270 other fees required by law. Upon making an application for a
 271 change of location, the applicant must ~~person shall~~ pay a fee of
 272 \$50 in addition to any other fees now required by law. The
 273 department shall, in the case of every application for initial
 274 licensure, verify whether certain facts set forth in the
 275 application are true. Each applicant, general partner in the

276 case of a partnership, or corporate officer and director in the
 277 case of a corporate applicant, must file a set of fingerprints
 278 with the department for the purpose of determining any prior
 279 criminal record or any outstanding warrants. The department
 280 shall submit the fingerprints to the Department of Law
 281 Enforcement for state processing and forwarding to the Federal
 282 Bureau of Investigation for federal processing. The actual cost
 283 of state and federal processing shall be borne by the applicant
 284 and is in addition to the fee for licensure. The department may
 285 issue a license to an applicant pending the results of the
 286 fingerprint investigation, which license is fully revocable if
 287 the department subsequently determines that any facts set forth
 288 in the application are not true or correctly represented.

289 Section 6. Paragraph (j) of subsection (3) of section
 290 320.771, Florida Statutes, is amended to read:

291 320.771 License required of recreational vehicle dealers.—

292 (3) APPLICATION.—The application for such license shall be
 293 in the form prescribed by the department and subject to such
 294 rules as may be prescribed by it. The application shall be
 295 verified by oath or affirmation and shall contain:

296 (j) A statement that the applicant is insured under a
 297 garage liability insurance policy, which shall include, at a
 298 minimum, \$25,000 combined single-limit bodily injury and
 299 property damage liability coverage, ~~including bodily injury and~~
 300 ~~property damage protection, and \$10,000 personal injury~~

301 ~~protection,~~ if the applicant is to be licensed as a dealer in,
 302 or intends to sell, recreational vehicles.

303

304 The department shall, if it deems necessary, cause an
 305 investigation to be made to ascertain if the facts set forth in
 306 the application are true and shall not issue a license to the
 307 applicant until it is satisfied that the facts set forth in the
 308 application are true.

309 Section 7. Section 324.011, Florida Statutes, is amended
 310 to read:

311 324.011 Legislative intent and purpose ~~Purpose of~~
 312 ~~chapter.~~—It is the intent of the Legislature ~~this chapter~~ to
 313 ensure that the privilege of owning or operating a motor vehicle
 314 in this state be exercised ~~recognize the existing privilege to~~
 315 ~~own or operate a motor vehicle on the public streets and~~
 316 ~~highways of this state when such vehicles are used with due~~
 317 ~~consideration for others and their property~~ in order, ~~and~~ to
 318 promote safety and provide financial security requirements for
 319 ~~such~~ owners and ~~or~~ operators whose responsibility it is to
 320 recompense others for injury to person or property caused by the
 321 operation of a motor vehicle. Therefore, this chapter generally
 322 requires ~~it is required herein~~ that owners and operators of
 323 motor vehicles establish, maintain, ~~the operator of a motor~~
 324 ~~vehicle involved in a crash or convicted of certain traffic~~
 325 ~~offenses meeting the operative provisions of s. 324.051(2) shall~~

326 ~~respond for such damages~~ and show proof of financial ability to
 327 respond for damages arising out of the ownership, maintenance,
 328 or use of a motor vehicle in future accidents as a requisite to
 329 his or her ownership or operation of a motor vehicle in this
 330 state future exercise of such privileges.

331 Section 8. Section 324.015, Florida Statutes, is created
 332 to read:

333 324.015 Applicability; notice to policyholders.-

334 (1) As used in this section, the term "minimum security
 335 requirements" means security that enables a person to respond in
 336 damages for liability on account of accidents arising out of the
 337 ownership, maintenance, or use of a motor vehicle in the amounts
 338 required by s. 324.021(7).

339 (2) Effective January 1, 2018:

340 (a) Notwithstanding any provision of law, motor vehicle
 341 insurance policies issued or renewed on or after January 1,
 342 2018, may not include personal injury protection.

343 (b) All persons subject to s. 324.022, s. 324.032, s.
 344 627.7415, or s. 627.742, must maintain at least minimum security
 345 requirements.

346 (c) A new or renewal motor vehicle insurance policy
 347 delivered or issued for delivery in this state must provide
 348 coverage that complies with minimum security requirements.

349 (d) An existing motor vehicle insurance policy issued
 350 before January 1, 2018, that provides personal injury protection

351 and property damage liability coverage and meets the
 352 requirements of s. 324.022, on December 31, 2017, but that does
 353 not meet minimum security requirements on or after January 1,
 354 2018, is deemed to meet the security requirements of s. 324.022
 355 until such policy is renewed, nonrenewed, or canceled.

356 (3) An insurer must allow an insured who has a new or
 357 renewal policy providing personal injury protection, which
 358 becomes effective before January 1, 2018, and whose policy does
 359 not meet minimum security requirements on or after January 1,
 360 2018, to change coverages to obtain coverage providing minimum
 361 security requirements that becomes effective on or after January
 362 1, 2018. The insurer is not required to provide coverage
 363 complying with minimum security requirements in such policies if
 364 the insured does not pay the required premium by January 1,
 365 2018, or such later date as the insurer may allow. The insurer
 366 must refund any reduction in the premium. The insurer may not
 367 impose an additional fee or charge on the insured for such
 368 changes in coverage; however, the insurer may charge an
 369 additional premium that is actuarially indicated.

370 (4) By September 1, 2017, a motor vehicle insurer must
 371 provide notice of the provisions of this section to each motor
 372 vehicle policyholder who is subject to this section. The notice
 373 is subject to approval by the Office of Insurance Regulation and
 374 must clearly inform the policyholder that:

375 (a) The Florida Motor Vehicle No-Fault Law is repealed,

376 effective January 1, 2018, and that on or after that date, the
 377 insured is no longer required to maintain personal injury
 378 protection insurance coverage, that personal injury protection
 379 coverage is no longer available for purchase in this state, and
 380 that all new or renewal policies issued on or after that date do
 381 not contain such coverage.

382 (b) Effective January 1, 2018, a person subject to the
 383 financial responsibility requirements of s. 324.022 must
 384 maintain minimum security requirements that enable the person to
 385 respond in damages for liability on account of accidents arising
 386 out of the ownership, maintenance, or use of a motor vehicle in
 387 the following amounts:

388 1. Twenty-five thousand dollars for bodily injury to, or
 389 the death of, one person in any one accident and, subject to
 390 such limits for one person, in the amount of \$50,000 for bodily
 391 injury to, or the death of, two or more persons in any one
 392 accident; and

393 2. Ten thousand dollars for damage to, or destruction of,
 394 property of others in any one accident.

395 (c) Personal injury protection coverage pays covered
 396 medical expenses for injuries sustained in a motor vehicle
 397 accident by the policyholder, passengers, and relatives residing
 398 in the policyholder's household.

399 (d) Bodily injury liability coverage protects the insured,
 400 up to the coverage limits, against loss if the insured is

401 legally responsible for the death of or bodily injury to others
 402 in a motor vehicle accident.

403 (e) The policyholder may obtain underinsured motorist
 404 coverage, which provides benefits, up to the limits of such
 405 coverage, to a policyholder or other insured entitled to recover
 406 damages for bodily injury, sickness, disease, or death resulting
 407 from a motor vehicle accident with an uninsured or underinsured
 408 owner or operator of a motor vehicle.

409 (f) If the policyholder's new or renewal motor vehicle
 410 insurance policy is effective before January 1, 2018, and
 411 contains personal injury protection and property damage
 412 liability coverage as required by state law before January 1,
 413 2018, but does not meet minimum security requirements on or
 414 after January 1, 2018, the policy is deemed to meet minimum
 415 security requirements until it is renewed, nonrenewed, or
 416 canceled.

417 (g) A policyholder whose new or renewal policy becomes
 418 effective before January 1, 2018, but does not meet minimum
 419 security requirements on or after January 1, 2018, may change
 420 coverages under the policy so as to eliminate personal injury
 421 protection and to obtain coverage providing minimum security
 422 requirements, including bodily injury liability coverage, which
 423 are effective on or after January 1, 2018.

424 (h) If the policyholder has any questions, he or she
 425 should contact the name and phone number provided in the notice.

426 (5) This section shall take effect upon this act becoming
 427 law.

428 Section 9. Subsections (1) and (7) of section 324.021,
 429 Florida Statutes, are amended to read:

430 324.021 Definitions; minimum insurance required.—The
 431 following words and phrases when used in this chapter shall, for
 432 the purpose of this chapter, have the meanings respectively
 433 ascribed to them in this section, except in those instances
 434 where the context clearly indicates a different meaning:

435 (1) MOTOR VEHICLE.—Every self-propelled vehicle which is
 436 designed and required to be licensed for use upon a highway,
 437 including trailers and semitrailers designed for use with such
 438 vehicles, except traction engines, road rollers, farm tractors,
 439 power shovels, and well drillers, and every vehicle which is
 440 propelled by electric power obtained from overhead wires but not
 441 operated upon rails, but not including any bicycle or moped.
 442 ~~However, the term "motor vehicle" shall not include any motor~~
 443 ~~vehicle as defined in s. 627.732(3) when the owner of such~~
 444 ~~vehicle has complied with the requirements of ss. 627.730-~~
 445 ~~627.7405, inclusive, unless the provisions of s. 324.051 apply;~~
 446 ~~and, in such case, the applicable proof of insurance provisions~~
 447 ~~of s. 320.02 apply.~~

448 (7) PROOF OF FINANCIAL RESPONSIBILITY.—Proof ~~That proof~~ of
 449 ability to respond in damages for liability on account of
 450 accidents ~~crashes~~ arising out of the use of a motor vehicle:

451 (a) In the amount of \$25,000 for ~~\$10,000~~ because of bodily
 452 injury to, or the death of, one person in any one accident
 453 ~~crash~~;

454 (b) Subject to such limits for one person, in the amount
 455 of \$50,000 for ~~\$20,000~~ because of bodily injury to, or the death
 456 of, two or more persons in any one accident ~~crash~~;

457 (c) In the amount of \$10,000 for damage ~~because of injury~~
 458 to, or destruction of, the property of others in any one
 459 accident ~~crash~~; and

460 (d) For a ~~With respect to~~ commercial motor vehicles and
 461 nonpublic sector buses, in the amounts specified in ss. 627.7415
 462 and 627.742, respectively.

463 Section 10. Section 324.022, Florida Statutes, is amended
 464 to read:

465 324.022 Financial responsibility requirements ~~for property~~
 466 ~~damage~~.

467 (1) (a) Every owner ~~or operator~~ of a motor vehicle required
 468 to be registered in this state and every operator of a motor
 469 vehicle licensed in this state must ~~shall~~ establish and
 470 continuously maintain the ability to respond in damages for
 471 liability on account of accidents arising out of the ownership,
 472 maintenance, or use of the motor vehicle in the amount of:

473 1. Twenty-five thousand dollars for bodily injury to, or
 474 the death of, one person in any one accident;

475 2. Subject to the limits for one person, \$50,000 for

476 bodily injury to, or the death of, two or more persons in any
 477 one accident; and \$10,000 because of

478 3. Ten thousand dollars for damage to, or destruction of,
 479 property of others in any one accident ~~crash~~.

480 (b) The requirements of paragraph (a) ~~this section~~ may be
 481 met by one of the methods established in s. 324.031; by self-
 482 insuring as authorized by s. 768.28(16); or by maintaining a
 483 motor vehicle liability insurance ~~an insurance policy providing~~
 484 ~~coverage for property damage liability in the amount of at least~~
 485 ~~\$10,000 because of damage to, or destruction of, property of~~
 486 ~~others in any one accident arising out of the use of the motor~~
 487 ~~vehicle. The requirements of this section may also be met by~~
 488 ~~having a~~ policy which provides coverage in the amount of at
 489 least \$60,000 ~~\$30,000~~ for combined property damage liability and
 490 bodily injury liability for any one accident ~~crash~~ arising out
 491 of the use of the motor vehicle and which conforms to the
 492 requirements of s. 324.151. ~~The policy, with respect to coverage~~
 493 ~~for property damage liability, must meet the applicable~~
 494 ~~requirements of s. 324.151, subject to the usual policy~~
 495 ~~exclusions that have been approved in policy forms by the Office~~
 496 ~~of Insurance Regulation. No insurer shall have any duty to~~
 497 ~~defend uncovered claims irrespective of their joinder with~~
 498 ~~covered claims.~~

499 (2) As used in this section, the term:

500 (a) "Motor vehicle" means any self-propelled vehicle that

501 has four or more wheels and that is of a type designed and
 502 required to be licensed for use on the highways of this state,
 503 and any trailer or semitrailer designed for use with such
 504 vehicle. The term does not include:

505 1. A mobile home.
 506 2. A motor vehicle that is used in mass transit and
 507 designed to transport more than five passengers, exclusive of
 508 the operator of the motor vehicle, and that is owned by a
 509 municipality, transit authority, or political subdivision of the
 510 state.

511 3. A school bus as defined in s. 1006.25.

512 4. A vehicle providing for-hire transportation that is
 513 subject to the provisions of s. 324.031. A taxicab shall
 514 maintain security as required under s. 324.032(1).

515 (b) "Owner" means the person who holds legal title to a
 516 motor vehicle or the debtor or lessee who has the right to
 517 possession of a motor vehicle that is the subject of a security
 518 agreement or lease with an option to purchase.

519 (3) Each nonresident owner or registrant of a motor
 520 vehicle that, whether operated or not, has been physically
 521 present within this state for more than 90 days during the
 522 preceding 365 days shall maintain security as required by
 523 subsection (1) that is in effect continuously throughout the
 524 period the motor vehicle remains within this state.

525 (4) An ~~The~~ owner or registrant of a motor vehicle who is

526 ~~exempt from the requirements of this section if she or he is a~~
 527 ~~member of the United States Armed Forces and is called to or on~~
 528 ~~active duty outside the United States in an emergency situation~~
 529 ~~is exempt from this section while he or she. The exemption~~
 530 ~~provided by this subsection applies only as long as the member~~
 531 ~~of the Armed Forces~~ is on such active duty outside the United
 532 States and applies only while the vehicle is not operated by any
 533 person. Upon receipt of a written request by the insured to whom
 534 the exemption provided in this subsection applies, the insurer
 535 shall cancel the coverages and return any unearned premium or
 536 suspend the security required by this section. Notwithstanding
 537 s. 324.0221(2) ~~s. 324.0221(3)~~, the department may not suspend
 538 the registration or operator's license of an ~~any~~ owner or
 539 registrant of a motor vehicle during the time she or he
 540 qualifies for an exemption under this subsection. An ~~Any~~ owner
 541 or registrant of a motor vehicle who qualifies for the ~~an~~
 542 exemption under this subsection shall immediately notify the
 543 department before ~~prior to~~ and at the end of the expiration of
 544 the exemption.

545 Section 11. Subsections (1) and (2) of section 324.0221,
 546 Florida Statutes, are amended, and subsection (4) is added to
 547 that section, to read:

548 324.0221 Reports by insurers to the department; suspension
 549 of driver license and vehicle registrations; reinstatement.-

550 (1)(a) Each insurer that has issued a policy providing

551 ~~personal injury protection coverage or property damage~~ liability
 552 coverage shall report the cancellation or nonrenewal thereof to
 553 the department within 10 days after the processing date or
 554 effective date of each cancellation or nonrenewal. Upon the
 555 issuance of a policy providing ~~personal injury protection~~
 556 ~~coverage or property damage~~ liability coverage to a named
 557 insured not previously insured by the insurer during that
 558 calendar year, the insurer shall report the issuance of the new
 559 policy to the department within 10 days. The report must ~~shall~~
 560 be in a ~~the~~ form prescribed by the department ~~and format~~ and
 561 contain any information required by the department and must be
 562 provided in a format that is compatible with the data processing
 563 capabilities of the department. Failure by an insurer to file
 564 proper reports with the department as required by this
 565 subsection constitutes a violation of the Florida Insurance
 566 Code. These records shall be used by the department only for
 567 enforcement and regulatory purposes, including the generation by
 568 the department of data regarding compliance by owners of motor
 569 vehicles with the requirements for financial responsibility
 570 coverage.

571 (b) With respect to an insurance policy providing ~~personal~~
 572 ~~injury protection coverage or property damage~~ liability
 573 coverage, each insurer shall notify the named insured, or the
 574 first-named insured in the case of a commercial fleet policy, in
 575 writing that any cancellation or nonrenewal of the policy will

576 be reported by the insurer to the department. The notice must
 577 also inform the named insured that failure to maintain bodily
 578 injury liability ~~personal injury protection~~ coverage and
 579 property damage liability coverage on a motor vehicle when
 580 required by law may result in the loss of registration and
 581 driving privileges in this state and inform the named insured of
 582 the amount of the reinstatement fees required by this section.
 583 This notice is for informational purposes only, and an insurer
 584 is not civilly liable for failing to provide this notice.

585 (2) The department shall suspend, after due notice and an
 586 opportunity to be heard, the registration and driver license of
 587 any owner or registrant of a motor vehicle with respect to which
 588 security is required under s. ss. 324.022, s. 324.032, s.
 589 627.7415, or s. 627.742 and ~~627.733~~ upon:

590 (a) The department's records showing that the owner or
 591 registrant of such motor vehicle did not have the in full force
 592 and effect when required security in full force and effect ~~that~~
 593 ~~complies with the requirements of ss. 324.022 and 627.733;~~ or

594 (b) Notification by the insurer to the department, in a
 595 form approved by the department, of cancellation or termination
 596 of the required security.

597 (4) All suspensions of license or registration under this
 598 section for failure to maintain required security that occurred
 599 before January 1, 2018, remain in full force and effect after
 600 the effective date of this act.

601 Section 12. Subsection (2) of section 324.051, Florida
 602 Statutes, is amended to read:

603 324.051 Reports of crashes; suspensions of licenses and
 604 registrations.-

605 (2)(a) Thirty days after receipt of notice of any accident
 606 described in paragraph (1)(a) involving a motor vehicle within
 607 this state, the department shall suspend, after due notice and
 608 opportunity to be heard, the license of each operator and all
 609 registrations of the owner of the vehicles operated by such
 610 operator whether or not involved in such crash and, in the case
 611 of a nonresident owner or operator, shall suspend such
 612 nonresident's operating privilege in this state, unless such
 613 operator or owner shall, prior to the expiration of such 30
 614 days, be found by the department to be exempt from the operation
 615 of this chapter, based upon evidence satisfactory to the
 616 department that:

617 1. The motor vehicle was legally parked at the time of
 618 such crash.

619 2. The motor vehicle was owned by the United States
 620 Government, this state, or any political subdivision of this
 621 state or any municipality therein.

622 3. Such operator or owner has secured a duly acknowledged
 623 written agreement providing for release from liability by all
 624 parties injured as the result of said crash and has complied
 625 with one of the provisions of s. 324.031.

626 4. Such operator or owner has deposited with the
627 department security to conform with s. 324.061 when applicable
628 and has complied with one of the provisions of s. 324.031.

629 5. One year has elapsed since such owner or operator was
630 suspended pursuant to subsection (3), the owner or operator has
631 complied with one of the provisions of s. 324.031, and no bill
632 of complaint of which the department has notice has been filed
633 in a court of competent jurisdiction.

634 (b) This subsection shall not apply:

635 1. To such operator or owner if such operator or owner had
636 in effect at the time of such crash or traffic conviction a
637 motor vehicle ~~an automobile~~ liability policy with respect to all
638 of the registered motor vehicles owned by such operator or
639 owner.

640 2. To such operator, if not the owner of such motor
641 vehicle, if there was in effect at the time of such crash or
642 traffic conviction a motor vehicle ~~an automobile~~ liability
643 policy or bond with respect to his or her operation of motor
644 vehicles not owned by him or her.

645 3. To such operator or owner if the liability of such
646 operator or owner for damages resulting from such crash is, in
647 the judgment of the department, covered by any other form of
648 liability insurance or bond.

649 4. To a ~~any~~ person who has obtained from the department a
650 certificate of self-insurance, in accordance with s. 324.171, or

651 to a ~~any~~ person operating a motor vehicle for such self-insurer.
 652

653 No such policy or bond shall be effective under this subsection
 654 unless it contains limits of not less than those specified in s.
 655 324.021(7).

656 Section 13. Subsection (1) of section 324.091, Florida
 657 Statutes, is amended to read:

658 324.091 Notice to department; notice to insurer.—

659 (1) Each owner and operator involved in a crash or
 660 conviction case within the purview of this chapter shall furnish
 661 evidence of a ~~automobile liability insurance~~ or motor vehicle
 662 liability insurance within 14 days after the date of the mailing
 663 of notice of crash by the department in the form and manner as
 664 it may designate. Upon receipt of evidence that a ~~an automobile~~
 665 ~~liability policy~~ or motor vehicle liability policy was in effect
 666 at the time of the crash or conviction case, the department
 667 shall forward to the insurer such information for verification
 668 in a method as determined by the department. The insurer shall
 669 respond to the department within 20 days after the notice
 670 whether or not such information is valid. If the department
 671 determines that a ~~an automobile liability policy~~ or motor
 672 vehicle liability policy was not in effect and did not provide
 673 coverage for both the owner and the operator, it shall take
 674 action as it is authorized to do under this chapter.

675 Section 14. Section 324.151, Florida Statutes, is amended

676 to read:

677 324.151 Motor vehicle liability policies; required
678 provisions.—

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

680 (a) "Newly acquired vehicle" means a vehicle owned by a
681 named insured or resident relative of the named insured which
682 was acquired 30 days or less before an accident.

683 (b) "Resident relative" means a person related to a named
684 insured by any degree by blood, marriage, or adoption, including
685 a ward or foster child, who usually makes her or his home in the
686 same family unit as the named insured, whether or not he or she
687 is temporarily living elsewhere.

688 (c) "Temporary substitute vehicle" means a motor vehicle
689 as defined in s. 320.01(1) that is not owned by the named
690 insured which is temporarily used with the permission of the
691 owner as a substitute for a motor vehicle designated on the
692 policy when the vehicle designated on the policy is withdrawn
693 from normal use because of breakdown, repair, servicing, loss,
694 or destruction.

695 (2)~~(1)~~ A motor vehicle liability policy as ~~to be~~ proof of
696 financial responsibility under s. 324.031(1), shall be issued to
697 owners and ~~or~~ operators of motor vehicles and must contain ~~under~~
698 the following provisions:

699 (a) A motor vehicle liability insurance policy issued to
700 an owner of a motor vehicle registered in this state must ~~An~~

701 ~~owner's liability insurance policy shall~~ designate by explicit
 702 description or by appropriate reference all motor vehicles with
 703 respect to which coverage is thereby granted. The policy must
 704 ~~and shall~~ insure the person or persons ~~owner~~ named therein and
 705 any resident relative of a named insured ~~other person as~~
 706 ~~operator using such motor vehicle or motor vehicles with the~~
 707 ~~express or implied permission of such owner~~ against loss from
 708 the liability imposed by law for damage arising out of the
 709 ownership, maintenance, or use of any such motor vehicle, except
 710 as otherwise provided in this section. The policy shall also
 711 insure any person operating an insured motor vehicle with the
 712 express or implied permission of the named insured against loss
 713 from liability imposed by law for damage arising out of the use
 714 of such vehicle. However, the insurer may exclude in its policy
 715 liability coverage for a motor vehicle not designated as an
 716 insured vehicle on the policy if such motor vehicle does not
 717 qualify as a newly acquired vehicle, does not qualify as a
 718 temporary substitute vehicle, and was owned by an insured or was
 719 furnished for an insured's regular use for more than 30
 720 consecutive days before an accident ~~or motor vehicles within the~~
 721 ~~United States or the Dominion of Canada, subject to limits,~~
 722 ~~exclusive of interest and costs with respect to each such motor~~
 723 ~~vehicle as is provided for under s. 324.021(7).~~ Insurers may
 724 make available, with respect to property damage liability
 725 coverage, a deductible amount not to exceed \$500. In the event

726 of a property damage loss covered by a policy containing a
 727 property damage deductible provision, the insurer shall pay to
 728 the third-party claimant the amount of any property damage
 729 liability settlement or judgment, subject to policy limits, as
 730 if no deductible existed.

731 (b) A motor vehicle liability insurance policy issued to a
 732 person who does not own a motor vehicle registered in this state
 733 and is not already insured under a policy described in
 734 subsection (a) must ~~An operator's motor vehicle liability policy~~
 735 ~~of insurance shall~~ insure the person or persons named in the
 736 policy therein against loss from ~~the~~ liability imposed ~~upon him~~
 737 ~~or her~~ by law for damages arising out of the use ~~by the person~~
 738 of any motor vehicle not owned by him or her, unless the vehicle
 739 was furnished for the named insured's regular use and used by
 740 the named insured for more than 30 consecutive days before an
 741 accident with the same territorial limits and subject to the
 742 ~~same limits of liability as referred to above with respect to an~~
 743 ~~owner's policy of liability insurance.~~

744 (c) All such motor vehicle liability policies shall state
 745 the name and address of the named insured, the coverage afforded
 746 by the policy, the premium charged therefor, the policy period,
 747 the limits of liability, and shall contain an agreement or be
 748 endorsed that insurance is provided in accordance with the
 749 coverage defined in this chapter ~~as respects bodily injury and~~
 750 ~~death or property damage or both~~ and is subject to all

751 provisions of this chapter. The said policies must ~~shall~~ also
 752 contain a provision that the satisfaction by an insured of a
 753 judgment for such injury or damage shall not be a condition
 754 precedent to the right or duty of the insurance carrier to make
 755 payment on account of such injury or damage, and shall also
 756 contain a provision that bankruptcy or insolvency of the insured
 757 or of the insured's estate shall not relieve the insurance
 758 carrier of any of its obligations under the said policy.
 759 However, the policies may contain provisions excluding liability
 760 coverage for a vehicle used outside of the United States or
 761 Canada at the time of an accident.

762 (3)~~(2)~~ The provisions of this section shall not be
 763 applicable to any automobile liability policy unless and until
 764 it is furnished as proof of financial responsibility for the
 765 future pursuant to s. 324.031, and then only from and after the
 766 date said policy is so furnished.

767 Section 15. Section 324.161, Florida Statutes, is amended
 768 to read:

769 324.161 Proof of financial responsibility; deposit.-
 770 Annually, before any certificate of insurance may be issued to a
 771 person, including any firm, partnership, association,
 772 corporation, or other person, ~~other than a natural person,~~ proof
 773 of a certificate of deposit of \$60,000 ~~\$30,000~~ issued and held
 774 by a financial institution must be submitted to the department.
 775 A power of attorney will be issued to and held by the department

776 and may be executed upon a judgment issued against such person
 777 making the deposit, for damages for ~~because of~~ bodily injury to
 778 or death of any person or for damages for ~~because of~~ injury to
 779 or destruction of property resulting from the use or operation
 780 of any motor vehicle occurring after such deposit was made.
 781 Money so deposited is ~~shall~~ not be subject to attachment or
 782 execution unless such attachment or execution shall arise out of
 783 a suit for such damages ~~as aforesaid~~.

784 Section 16. Subsections (1) and (2) of section 324.171,
 785 Florida Statutes, are amended to read:

786 324.171 Self-insurer.—

787 (1) A ~~Any~~ person may qualify as a self-insurer by
 788 obtaining a certificate of self-insurance from the department.
 789 ~~Upon which may, in its discretion and upon~~ application of such a
 790 person, the department may issue a ~~said~~ certificate of self-
 791 insurance if the applicant ~~when such person~~ has satisfied the
 792 requirements of this section ~~to qualify as a self-insurer under~~
 793 ~~this section~~:

794 (a) A private individual with private passenger vehicles
 795 must ~~shall~~ possess a net unencumbered worth of at least \$60,000
 796 ~~\$40,000~~.

797 (b) A person, including any firm, partnership,
 798 association, corporation, or other person, other than a natural
 799 person, must ~~shall~~:

800 1. Possess a net unencumbered worth of at least \$60,000

801 ~~\$40,000~~ for the first motor vehicle and \$30,000 ~~\$20,000~~ for each
 802 additional motor vehicle; or

803 2. Maintain sufficient net worth, in an amount determined
 804 by the department to be financially responsible for potential
 805 losses. The department must annually determine the minimum net
 806 worth sufficient to satisfy this section as determined annually
 807 by the department, pursuant to rules adopted ~~promulgated~~ by the
 808 department, with the assistance of the Office of Insurance
 809 Regulation of the Financial Services Commission, ~~to be~~
 810 ~~financially responsible for potential losses.~~ The rules must
 811 consider any shall take into consideration excess insurance
 812 carried by the applicant. The department's determination shall
 813 be based upon reasonable actuarial principles considering the
 814 frequency, severity, and loss development of claims incurred by
 815 casualty insurers writing coverage on the type of motor vehicles
 816 for which a certificate of self-insurance is desired.

817 (c) The owner of a commercial motor vehicle, as defined in
 818 s. 207.002 or s. 320.01, may qualify as a self-insurer subject
 819 to the standards provided ~~for~~ in subparagraph (b)2.

820 (2) The self-insurance certificate shall provide limits of
 821 liability insurance in the amounts specified under s. 324.021(7)
 822 or s. 627.7415 ~~and shall provide personal injury protection~~
 823 ~~coverage under s. 627.733(3)(b).~~

824 Section 17. Section 324.251, Florida Statutes, is amended
 825 to read:

826 324.251 Short title.—This chapter may be cited as the
 827 "Financial Responsibility Law of 2017 ~~1955~~" and shall become
 828 effective at 12:01 a.m., January 1, 2018 ~~October 1, 1955~~.

829 Section 18. Paragraph (o) of subsection (1) of section
 830 626.9541, Florida Statutes, is amended to read:

831 626.9541 Unfair methods of competition and unfair or
 832 deceptive acts or practices defined.—

833 (1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE
 834 ACTS.—The following are defined as unfair methods of competition
 835 and unfair or deceptive acts or practices:

836 (o) Illegal dealings in premiums; excess or reduced
 837 charges for insurance.—

838 1. Knowingly collecting any sum as a premium or charge for
 839 insurance, which is not then provided, or is not in due course
 840 to be provided, subject to acceptance of the risk by the
 841 insurer, by an insurance policy issued by an insurer as
 842 permitted by this code.

843 2. Knowingly collecting as a premium or charge for
 844 insurance any sum in excess of or less than the premium or
 845 charge applicable to such insurance, in accordance with the
 846 applicable classifications and rates as filed with and approved
 847 by the office, and as specified in the policy; or, in cases when
 848 classifications, premiums, or rates are not required by this
 849 code to be so filed and approved, premiums and charges collected
 850 from a Florida resident in excess of or less than those

851 specified in the policy and as fixed by the insurer.
 852 Notwithstanding any other provision of law, this provision shall
 853 not be deemed to prohibit the charging and collection, by
 854 surplus lines agents licensed under part VIII of this chapter,
 855 of the amount of applicable state and federal taxes, or fees as
 856 authorized by s. 626.916(4), in addition to the premium required
 857 by the insurer or the charging and collection, by licensed
 858 agents, of the exact amount of any discount or other such fee
 859 charged by a credit card facility in connection with the use of
 860 a credit card, as authorized by subparagraph (q)3., in addition
 861 to the premium required by the insurer. This subparagraph shall
 862 not be construed to prohibit collection of a premium for a
 863 universal life or a variable or indeterminate value insurance
 864 policy made in accordance with the terms of the contract.

865 3.a. Imposing or requesting an additional premium for a
 866 policy of motor vehicle liability, ~~personal injury protection,~~
 867 medical payment, or collision insurance or any combination
 868 thereof or refusing to renew the policy solely because the
 869 insured was involved in a motor vehicle accident unless the
 870 insurer's file contains information from which the insurer in
 871 good faith determines that the insured was substantially at
 872 fault in the accident.

873 b. An insurer which imposes and collects such a surcharge
 874 or which refuses to renew such policy shall, in conjunction with
 875 the notice of premium due or notice of nonrenewal, notify the

876 named insured that he or she is entitled to reimbursement of
 877 such amount or renewal of the policy under the conditions listed
 878 below and will subsequently reimburse him or her or renew the
 879 policy, if the named insured demonstrates that the operator
 880 involved in the accident was:

881 (I) Lawfully parked;

882 (II) Reimbursed by, or on behalf of, a person responsible
 883 for the accident or has a judgment against such person;

884 (III) Struck in the rear by another vehicle headed in the
 885 same direction and was not convicted of a moving traffic
 886 violation in connection with the accident;

887 (IV) Hit by a "hit-and-run" driver, if the accident was
 888 reported to the proper authorities within 24 hours after
 889 discovering the accident;

890 (V) Not convicted of a moving traffic violation in
 891 connection with the accident, but the operator of the other
 892 automobile involved in such accident was convicted of a moving
 893 traffic violation;

894 (VI) Finally adjudicated not to be liable by a court of
 895 competent jurisdiction;

896 (VII) In receipt of a traffic citation which was dismissed
 897 or nolle prossed; or

898 (VIII) Not at fault as evidenced by a written statement
 899 from the insured establishing facts demonstrating lack of fault
 900 which are not rebutted by information in the insurer's file from

901 | which the insurer in good faith determines that the insured was
 902 | substantially at fault.

903 | c. In addition to the other provisions of this
 904 | subparagraph, an insurer may not fail to renew a policy if the
 905 | insured has had only one accident in which he or she was at
 906 | fault within the current 3-year period. However, an insurer may
 907 | nonrenew a policy for reasons other than accidents in accordance
 908 | with s. 627.728. This subparagraph does not prohibit nonrenewal
 909 | of a policy under which the insured has had three or more
 910 | accidents, regardless of fault, during the most recent 3-year
 911 | period.

912 | 4. Imposing or requesting an additional premium for, or
 913 | refusing to renew, a policy for motor vehicle insurance solely
 914 | because the insured committed a noncriminal traffic infraction
 915 | as described in s. 318.14 unless the infraction is:

916 | a. A second infraction committed within an 18-month
 917 | period, or a third or subsequent infraction committed within a
 918 | 36-month period.

919 | b. A violation of s. 316.183, when such violation is a
 920 | result of exceeding the lawful speed limit by more than 15 miles
 921 | per hour.

922 | 5. Upon the request of the insured, the insurer and
 923 | licensed agent shall supply to the insured the complete proof of
 924 | fault or other criteria which justifies the additional charge or
 925 | cancellation.

926 6. No insurer shall impose or request an additional
 927 premium for motor vehicle insurance, cancel or refuse to issue a
 928 policy, or refuse to renew a policy because the insured or the
 929 applicant is a handicapped or physically disabled person, so
 930 long as such handicap or physical disability does not
 931 substantially impair such person's mechanically assisted driving
 932 ability.

933 7. No insurer may cancel or otherwise terminate any
 934 insurance contract or coverage, or require execution of a
 935 consent to rate endorsement, during the stated policy term for
 936 the purpose of offering to issue, or issuing, a similar or
 937 identical contract or coverage to the same insured with the same
 938 exposure at a higher premium rate or continuing an existing
 939 contract or coverage with the same exposure at an increased
 940 premium.

941 8. No insurer may issue a nonrenewal notice on any
 942 insurance contract or coverage, or require execution of a
 943 consent to rate endorsement, for the purpose of offering to
 944 issue, or issuing, a similar or identical contract or coverage
 945 to the same insured at a higher premium rate or continuing an
 946 existing contract or coverage at an increased premium without
 947 meeting any applicable notice requirements.

948 9. No insurer shall, with respect to premiums charged for
 949 motor vehicle insurance, unfairly discriminate solely on the
 950 basis of age, sex, marital status, or scholastic achievement.

951 10. Imposing or requesting an additional premium for motor
 952 vehicle comprehensive or uninsured motorist coverage solely
 953 because the insured was involved in a motor vehicle accident or
 954 was convicted of a moving traffic violation.

955 11. No insurer shall cancel or issue a nonrenewal notice
 956 on any insurance policy or contract without complying with any
 957 applicable cancellation or nonrenewal provision required under
 958 the Florida Insurance Code.

959 12. No insurer shall impose or request an additional
 960 premium, cancel a policy, or issue a nonrenewal notice on any
 961 insurance policy or contract because of any traffic infraction
 962 when adjudication has been withheld and no points have been
 963 assessed pursuant to s. 318.14(9) and (10). However, this
 964 subparagraph does not apply to traffic infractions involving
 965 accidents in which the insurer has incurred a loss due to the
 966 fault of the insured.

967 Section 19. Subsection (1) of section 627.06501, Florida
 968 Statutes, is amended to read:

969 627.06501 Insurance discounts for certain persons
 970 completing driver improvement course.-

971 (1) Any rate, rating schedule, or rating manual for the
 972 liability, ~~personal injury protection,~~ and collision coverages
 973 of a motor vehicle insurance policy filed with the office may
 974 provide for an appropriate reduction in premium charges as to
 975 such coverages if ~~when~~ the principal operator on the covered

976 vehicle has successfully completed a driver improvement course
 977 approved and certified by the Department of Highway Safety and
 978 Motor Vehicles which is effective in reducing accident ~~crash~~ or
 979 violation rates, or both, as determined pursuant to s.
 980 318.1451(5). Any discount, not to exceed 10 percent, used by an
 981 insurer is presumed to be appropriate unless credible data
 982 demonstrates otherwise.

983 Section 20. Subsection (1) of section 627.0652, Florida
 984 Statutes, is amended to read:

985 627.0652 Insurance discounts for certain persons
 986 completing safety course.—

987 (1) Any rates, rating schedules, or rating manuals for the
 988 liability, ~~personal injury protection~~, and collision coverages
 989 of a motor vehicle insurance policy filed with the office must
 990 ~~shall~~ provide for an appropriate reduction in premium charges as
 991 to such coverages if ~~when~~ the principal operator on the covered
 992 vehicle is an insured 55 years of age or older who has
 993 successfully completed a motor vehicle accident prevention
 994 course approved by the Department of Highway Safety and Motor
 995 Vehicles. Any discount used by an insurer is presumed to be
 996 appropriate unless credible data demonstrates otherwise.

997 Section 21. Subsections (1), (3), and (6) of section
 998 627.0653, Florida Statutes, are amended to read:

999 627.0653 Insurance discounts for specified motor vehicle
 1000 equipment.—

1001 (1) Any rates, rating schedules, or rating manuals for the
 1002 liability, ~~personal injury protection~~, and collision coverages
 1003 of a motor vehicle insurance policy filed with the office shall
 1004 provide a premium discount if the insured vehicle is equipped
 1005 with factory-installed, four-wheel antilock brakes.

1006 (3) Any rates, rating schedules, or rating manuals for
 1007 ~~personal injury protection coverage~~ and medical payments
 1008 coverage, if offered, of a motor vehicle insurance policy filed
 1009 with the office shall provide a premium discount if the insured
 1010 vehicle is equipped with one or more air bags which are factory
 1011 installed.

1012 (6) The Office of Insurance Regulation may approve a
 1013 premium discount to any rates, rating schedules, or rating
 1014 manuals for the liability, ~~personal injury protection~~, and
 1015 collision coverages of a motor vehicle insurance policy filed
 1016 with the office if the insured vehicle is equipped with
 1017 autonomous driving technology or electronic vehicle collision
 1018 avoidance technology that is factory installed or a retrofitted
 1019 system and that complies with National Highway Traffic Safety
 1020 Administration standards.

1021 Section 22. Section 627.4132, Florida Statutes, is amended
 1022 to read:

1023 627.4132 Stacking of coverages prohibited.—If an insured
 1024 or named insured is protected by any type of motor vehicle
 1025 insurance policy for liability, ~~personal injury protection~~, or

1026 other coverage, the policy must ~~shall~~ provide that the insured
 1027 or named insured is protected only to the extent of the coverage
 1028 she or he has on the vehicle involved in the accident. However,
 1029 if none of the insured's or named insured's vehicles are ~~is~~
 1030 involved in the accident, coverage is available only to the
 1031 extent of coverage on any one of the vehicles with applicable
 1032 coverage. Coverage on any other vehicles may ~~shall~~ not be added
 1033 to or stacked upon that coverage. This section does not apply:

1034 (1) To uninsured motorist coverage which is separately
 1035 governed by s. 627.727.

1036 (2) To reduce the coverage available by reason of
 1037 insurance policies insuring different named insureds.

1038 Section 23. Section 627.7263, Florida Statutes, is amended
 1039 to read:

1040 627.7263 Rental and leasing driver's insurance to be
 1041 primary; exception.-

1042 (1) The valid and collectible liability insurance ~~or~~
 1043 ~~personal injury protection insurance~~ providing coverage for the
 1044 lessor of a motor vehicle for rent or lease is primary unless
 1045 otherwise stated in at least 10-point type on the face of the
 1046 rental or lease agreement. Such insurance is primary for the
 1047 limits of liability in an amount not less than the minimum
 1048 limits described in ~~and personal injury protection coverage as~~
 1049 ~~required by s. 324.021(7) ss. 324.021(7) and 627.736.~~

1050 (2) If the lessee's coverage is to be primary, the rental

1051 or lease agreement must contain the following language, in at
 1052 least 10-point type:

1053

1054 "The valid and collectible liability insurance ~~and personal~~
 1055 ~~injury protection insurance~~ of an any authorized rental or
 1056 leasing driver is primary for the limits of liability in an
 1057 amount not less than the minimum limits described in and
 1058 ~~personal injury protection coverage required s. 324.021(7) by~~
 1059 ~~ss. 324.021(7) and 627.736, Florida Statutes."~~

1060 Section 24. Subsections (1) and (7) of section 627.727,
 1061 Florida Statutes, are amended to read:

1062 627.727 Motor vehicle insurance; uninsured and
 1063 underinsured vehicle coverage; insolvent insurer protection.-

1064 (1) No motor vehicle liability insurance policy which
 1065 provides bodily injury liability coverage shall be delivered or
 1066 issued for delivery in this state with respect to any
 1067 specifically insured or identified motor vehicle registered or
 1068 principally garaged in this state unless uninsured motor vehicle
 1069 coverage is provided therein or supplemental thereto for the
 1070 protection of persons insured thereunder who are legally
 1071 entitled to recover damages from owners or operators of
 1072 uninsured motor vehicles because of bodily injury, sickness, or
 1073 disease, including death, resulting therefrom. However, the
 1074 coverage required under this section is not applicable if when,
 1075 or to the extent that, an insured named in the policy makes a

1076 written rejection of the coverage on behalf of all insureds
 1077 under the policy. If ~~When~~ a motor vehicle is leased for a ~~period~~
 1078 ~~of~~ 1 year or longer and the lessor of such vehicle, by the terms
 1079 of the lease contract, provides liability coverage on the leased
 1080 vehicle, the lessee of such vehicle shall have the sole
 1081 privilege to reject uninsured motorist coverage or to select
 1082 lower limits than the bodily injury liability limits, regardless
 1083 of whether the lessor is qualified as a self-insurer pursuant to
 1084 s. 324.171. Unless an insured, or lessee having the privilege of
 1085 rejecting uninsured motorist coverage, requests such coverage or
 1086 requests higher uninsured motorist limits in writing, the
 1087 coverage or such higher uninsured motorist limits need not be
 1088 provided in or supplemental to any other policy which renews,
 1089 extends, changes, supersedes, or replaces an existing policy
 1090 with the same bodily injury liability limits when an insured or
 1091 lessee had rejected the coverage. When an insured or lessee has
 1092 initially selected limits of uninsured motorist coverage lower
 1093 than her or his bodily injury liability limits, higher limits of
 1094 uninsured motorist coverage need not be provided in or
 1095 supplemental to any other policy that ~~which~~ renews, extends,
 1096 changes, supersedes, or replaces an existing policy with the
 1097 same bodily injury liability limits unless an insured requests
 1098 higher uninsured motorist coverage in writing. The rejection or
 1099 selection of lower limits shall be made on a form approved by
 1100 the office. The form must ~~shall~~ fully advise the applicant of

1101 the nature of the coverage and must ~~shall~~ state that the
 1102 coverage is equal to bodily injury liability limits unless lower
 1103 limits are requested or the coverage is rejected. The heading of
 1104 the form shall be in 12-point bold type and shall state: "You
 1105 are electing not to purchase certain valuable coverage that
 1106 ~~which~~ protects you and your family or you are purchasing
 1107 uninsured motorist limits less than your bodily injury liability
 1108 limits when you sign this form. Please read carefully." If this
 1109 form is signed by a named insured, it will be conclusively
 1110 presumed that there was an informed, knowing rejection of
 1111 coverage or election of lower limits on behalf of all insureds.
 1112 The insurer shall notify the named insured at least annually of
 1113 her or his options as to the coverage required by this section.
 1114 Such notice must ~~shall~~ be part of, and attached to, the notice
 1115 of premium, must ~~shall~~ provide for a means to allow the insured
 1116 to request such coverage, and must ~~shall~~ be given in a manner
 1117 approved by the office. Receipt of this notice does not
 1118 constitute an affirmative waiver of the insured's right to
 1119 uninsured motorist coverage if ~~where~~ the insured has not signed
 1120 a selection or rejection form. The coverage described under this
 1121 section shall be over and above, but shall not duplicate, the
 1122 benefits available to an insured under any workers' compensation
 1123 law, ~~personal injury protection benefits,~~ disability benefits
 1124 law, or similar law; under any automobile medical payments
 1125 ~~expense~~ coverage; under any motor vehicle liability insurance

1126 coverage; or from the owner or operator of the uninsured motor
 1127 vehicle or any other person or organization jointly or severally
 1128 liable together with such owner or operator for the accident;
 1129 and such coverage shall cover the difference, if any, between
 1130 the sum of such benefits and the damages sustained, up to the
 1131 maximum amount of such coverage provided under this section. The
 1132 amount of coverage available under this section may ~~shall~~ not be
 1133 reduced by a setoff against any coverage, including liability
 1134 insurance. Such coverage does ~~shall~~ not inure directly or
 1135 indirectly to the benefit of any workers' compensation or
 1136 disability benefits carrier or any person or organization
 1137 qualifying as a self-insurer under any workers' compensation or
 1138 disability benefits law or similar law.

1139 (7)(a) For uninsured and underinsured vehicle coverage
 1140 issued before January 1, 2018, the legal liability of an
 1141 uninsured motorist coverage insurer does not include damages in
 1142 tort for pain, suffering, mental anguish, and inconvenience
 1143 unless the injury or disease is described in one or more of
 1144 paragraphs (a)-(d) of s. 627.737(2).

1145 (b) For uninsured and underinsured vehicle coverage issued
 1146 on or after January 1, 2018, the legal liability of an uninsured
 1147 motorist coverage insurer includes damages in tort for pain,
 1148 suffering, disability or physical impairment, disfigurement,
 1149 mental anguish, inconvenience, and the loss of capacity for the
 1150 enjoyment of life experienced in the past and to be experienced

1151 in the future.

1152 Section 25. Subsection (1) and paragraphs (a) and (b) of
 1153 subsection (2) of section 627.7275, Florida Statutes, are
 1154 amended to read:

1155 627.7275 Motor vehicle liability.—

1156 (1) A motor vehicle insurance policy ~~providing personal~~
 1157 ~~injury protection as set forth in s. 627.736~~ may not be
 1158 delivered or issued for delivery in this state for a with
 1159 ~~respect to any~~ specifically insured or identified motor vehicle
 1160 registered or principally garaged in this state must provide
 1161 bodily injury liability coverage and ~~unless the policy also~~
 1162 ~~provides coverage for~~ property damage liability coverage as
 1163 required under ~~by~~ s. 324.022.

1164 (2)(a) Insurers writing motor vehicle insurance in this
 1165 state shall make available, subject to the insurers' usual
 1166 underwriting restrictions:

1167 1. Coverage under policies as described in subsection (1)
 1168 to an applicant for private passenger motor vehicle insurance
 1169 coverage who is seeking the coverage in order to reinstate the
 1170 applicant's driving privileges in this state if the driving
 1171 privileges were revoked or suspended pursuant to s. 316.646 or
 1172 s. 324.0221 due to the failure of the applicant to maintain
 1173 required security.

1174 2. Coverage under policies as described in subsection (1),
 1175 which also provides bodily injury liability coverage and

1176 ~~property damage liability coverage for bodily injury, death, and~~
 1177 ~~property damage arising out of the ownership, maintenance, or~~
 1178 ~~use of the motor vehicle~~ in an amount not less than the minimum
 1179 limits described in s. 324.021(7) or s. 324.023 and conforms to
 1180 the requirements of s. 324.151, to an applicant for private
 1181 passenger motor vehicle insurance coverage who is seeking the
 1182 coverage in order to reinstate the applicant's driving
 1183 privileges in this state after such privileges were revoked or
 1184 suspended under s. 316.193 or s. 322.26(2) for driving under the
 1185 influence.

1186 (b) The policies described in paragraph (a) shall be
 1187 issued for at least 6 months and, as to the minimum coverages
 1188 required under this section, may not be canceled by the insured
 1189 for any reason or by the insurer after 60 days, during which
 1190 period the insurer is completing the underwriting of the policy.
 1191 After the insurer has completed underwriting the policy, the
 1192 insurer shall notify the Department of Highway Safety and Motor
 1193 Vehicles that the policy is in full force and effect and is not
 1194 cancelable for the remainder of the policy period. A premium
 1195 shall be collected and the coverage is in effect for the 60-day
 1196 period during which the insurer is completing the underwriting
 1197 of the policy whether or not the person's driver license, motor
 1198 vehicle tag, and motor vehicle registration are in effect. Once
 1199 the noncancelable provisions of the policy become effective, the
 1200 bodily injury liability and property damage liability coverages

1201 ~~for bodily injury, property damage, and personal injury~~
 1202 ~~protection~~ may not be reduced below the minimum limits required
 1203 under s. 324.021 or s. 324.023 during the policy period.

1204 Section 26. Paragraph (a) of subsection (1) of section
 1205 627.728, Florida Statutes, is amended to read:

1206 627.728 Cancellations; nonrenewals.—

1207 (1) As used in this section, the term:

1208 (a) "Policy" means the bodily injury and property damage
 1209 liability, ~~personal injury protection~~, medical payments,
 1210 comprehensive, collision, and uninsured motorist coverage
 1211 portions of a policy of motor vehicle insurance delivered or
 1212 issued for delivery in this state:

1213 1. Insuring a natural person as named insured or one or
 1214 more related individuals who are residents ~~resident~~ of the same
 1215 household; and

1216 2. Insuring only a motor vehicle of the private passenger
 1217 type or station wagon type which is not used as a public or
 1218 livery conveyance for passengers or rented to others; or
 1219 insuring any other four-wheel motor vehicle having a load
 1220 capacity of 1,500 pounds or less which is not used in the
 1221 occupation, profession, or business of the insured other than
 1222 farming; other than any policy issued under an automobile
 1223 insurance assigned risk plan or covering garage, automobile
 1224 sales agency, repair shop, service station, or public parking
 1225 place operation hazards.

1226
1227
1228
1229
1230
1231
1232
1233
1234
1235
1236
1237
1238
1239
1240
1241
1242
1243
1244
1245
1246
1247
1248
1249
1250

The term "policy" does not include a binder as defined in s. 627.420 unless the duration of the binder period exceeds 60 days.

Section 27. Subsection (1), paragraph (a) of subsection (5), and subsection (7) of section 627.7295, Florida Statutes, are amended to read:

627.7295 Motor vehicle insurance contracts.—

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

(a) "Policy" means a motor vehicle insurance policy that provides bodily injury liability coverage and ~~personal injury protection coverage,~~ property damage liability coverage, ~~or~~ both.

(b) "Binder" means a binder that provides motor vehicle bodily injury liability coverage ~~personal injury protection~~ and property damage liability coverage.

(5)(a) A licensed general lines agent may charge a per-policy fee up ~~not~~ to ~~exceed~~ \$10 to cover the administrative costs of the agent associated with selling the motor vehicle insurance policy if the policy covers only bodily injury liability coverage ~~personal injury protection coverage~~ as ~~provided by s. 627.736~~ and property damage liability coverage as provided by s. 627.7275 and if no other insurance is sold or issued in conjunction with or collateral to the policy. The fee is not ~~considered~~ part of the premium.

1251 (7) A policy of private passenger motor vehicle insurance
 1252 or a binder for such a policy may be initially issued in this
 1253 state only if, before the effective date of such binder or
 1254 policy, the insurer or agent has collected ~~from the insured an~~
 1255 ~~amount equal to~~ 2 months' premium from the insured. An insurer,
 1256 agent, or premium finance company may not, directly or
 1257 indirectly, take any action that results ~~resulting~~ in the
 1258 insured paying ~~having paid~~ from the insured's own funds an
 1259 amount less than the 2 months' premium required by this
 1260 subsection. This subsection applies without regard to whether
 1261 the premium is financed by a premium finance company or is paid
 1262 pursuant to a periodic payment plan of an insurer or an
 1263 insurance agent.

1264 (a) This subsection does not apply:

1265 1. If an insured or member of the insured's family is
 1266 renewing or replacing a policy or a binder for such policy
 1267 written by the same insurer or a member of the same insurer
 1268 group.

1269 2. ~~To This subsection does not apply to~~ an insurer that
 1270 issues private passenger motor vehicle coverage primarily to
 1271 active duty or former military personnel or their dependents.

1272 3. ~~If This subsection does not apply if~~ all policy
 1273 payments are paid pursuant to a payroll deduction plan, an
 1274 automatic electronic funds transfer payment plan from the
 1275 policyholder, or a recurring credit card or debit card agreement

1276 with the insurer.

1277 (b) This subsection and subsection (4) do not apply if:

1278 1. All policy payments to an insurer are paid pursuant to
 1279 an automatic electronic funds transfer payment plan from an
 1280 agent, a managing general agent, or a premium finance company
 1281 and if the policy includes, at a minimum, bodily injury
 1282 liability and ~~personal injury protection pursuant to ss.~~
 1283 ~~627.730-627.7405; motor vehicle~~ property damage liability
 1284 coverage pursuant to s. 627.7275., ~~and bodily injury liability~~
 1285 ~~in at least the amount of \$10,000 because of bodily injury to,~~
 1286 ~~or death of, one person in any one accident and in the amount of~~
 1287 ~~\$20,000 because of bodily injury to, or death of, two or more~~
 1288 ~~persons in any one accident. This subsection and subsection (4)~~
 1289 ~~do not apply if an~~

1290 2. An insured has had a policy in effect for at least 6
 1291 months, the insured's agent is terminated by the insurer that
 1292 issued the policy, and the insured obtains coverage on the
 1293 policy's renewal date with a new company through the terminated
 1294 agent.

1295 Section 28. Subsections (3) and (4), paragraphs (c) and
 1296 (h) of subsection (5), paragraphs (a) and (g) of subsection (6),
 1297 and subsections (8) and (16) of section 627.736, Florida
 1298 Statutes, are amended to read:

1299 627.736 Required personal injury protection benefits;
 1300 exclusions; priority; claims.-

1301 (3) INSURED'S RIGHTS TO RECOVERY OF SPECIAL DAMAGES IN
 1302 TORT CLAIMS.—No insurer shall have a lien on any recovery in
 1303 tort by judgment, settlement, or otherwise for personal injury
 1304 protection benefits, whether suit has been filed or settlement
 1305 has been reached without suit. An injured party who is entitled
 1306 to bring suit under the provisions of ss. 627.732-627.737,
 1307 627.7403, and 627.7405 ~~627.730-627.7405~~, or his or her legal
 1308 representative, shall have no right to recover any damages for
 1309 which personal injury protection benefits are paid or payable.
 1310 The plaintiff may prove all of his or her special damages
 1311 notwithstanding this limitation, but if special damages are
 1312 introduced in evidence, the trier of facts, whether judge or
 1313 jury, shall not award damages for personal injury protection
 1314 benefits paid or payable. In all cases in which a jury is
 1315 required to fix damages, the court shall instruct the jury that
 1316 the plaintiff shall not recover such special damages for
 1317 personal injury protection benefits paid or payable.

1318 (4) PAYMENT OF BENEFITS.—Benefits due from an insurer
 1319 under ss. 627.732-627.737, 627.7403, and 627.7405 ~~627.730-~~
 1320 ~~627.7405~~ are primary, except that benefits received under any
 1321 workers' compensation law must be credited against the benefits
 1322 provided by subsection (1) and are due and payable as loss
 1323 accrues upon receipt of reasonable proof of such loss and the
 1324 amount of expenses and loss incurred which are covered by the
 1325 policy issued under ss. 627.732-627.737, 627.7403, and 627.7405

1326 ~~627.730-627.7405~~. If the Agency for Health Care Administration
 1327 provides, pays, or becomes liable for medical assistance under
 1328 the Medicaid program related to injury, sickness, disease, or
 1329 death arising out of the ownership, maintenance, or use of a
 1330 motor vehicle, the benefits under ss. 627.732-627.737, 627.7403,
 1331 and 627.7405 ~~627.730-627.7405~~ are subject to the Medicaid
 1332 program. However, within 30 days after receiving notice that the
 1333 Medicaid program paid such benefits, the insurer shall repay the
 1334 full amount of the benefits to the Medicaid program.

1335 (a) An insurer may require written notice to be given as
 1336 soon as practicable after an accident involving a motor vehicle
 1337 with respect to which the policy affords the security required
 1338 by ss. 627.732-627.737, 627.7403, and 627.7405 ~~627.730-627.7405~~.

1339 (b) Personal injury protection insurance benefits paid
 1340 pursuant to this section are overdue if not paid within 30 days
 1341 after the insurer is furnished written notice of the fact of a
 1342 covered loss and of the amount of same. However:

1343 1. If written notice of the entire claim is not furnished
 1344 to the insurer, any partial amount supported by written notice
 1345 is overdue if not paid within 30 days after written notice is
 1346 furnished to the insurer. Any part or all of the remainder of
 1347 the claim that is subsequently supported by written notice is
 1348 overdue if not paid within 30 days after written notice is
 1349 furnished to the insurer.

1350 2. If an insurer pays only a portion of a claim or rejects

1351 a claim, the insurer shall provide at the time of the partial
 1352 payment or rejection an itemized specification of each item that
 1353 the insurer had reduced, omitted, or declined to pay and any
 1354 information that the insurer desires the claimant to consider
 1355 related to the medical necessity of the denied treatment or to
 1356 explain the reasonableness of the reduced charge if this does
 1357 not limit the introduction of evidence at trial. The insurer
 1358 must also include the name and address of the person to whom the
 1359 claimant should respond and a claim number to be referenced in
 1360 future correspondence.

1361 3. If an insurer pays only a portion of a claim or rejects
 1362 a claim due to an alleged error in the claim, the insurer, at
 1363 the time of the partial payment or rejection, shall provide an
 1364 itemized specification or explanation of benefits due to the
 1365 specified error. Upon receiving the specification or
 1366 explanation, the person making the claim, at the person's option
 1367 and without waiving any other legal remedy for payment, has 15
 1368 days to submit a revised claim, which shall be considered a
 1369 timely submission of written notice of a claim.

1370 4. Notwithstanding the fact that written notice has been
 1371 furnished to the insurer, payment is not overdue if the insurer
 1372 has reasonable proof that the insurer is not responsible for the
 1373 payment.

1374 5. For the purpose of calculating the extent to which
 1375 benefits are overdue, payment shall be treated as being made on

1376 the date a draft or other valid instrument that is equivalent to
 1377 payment was placed in the United States mail in a properly
 1378 addressed, postpaid envelope or, if not so posted, on the date
 1379 of delivery.

1380 6. This paragraph does not preclude or limit the ability
 1381 of the insurer to assert that the claim was unrelated, was not
 1382 medically necessary, or was unreasonable or that the amount of
 1383 the charge was in excess of that permitted under, or in
 1384 violation of, subsection (5). Such assertion may be made at any
 1385 time, including after payment of the claim or after the 30-day
 1386 period for payment set forth in this paragraph.

1387 (c) Upon receiving notice of an accident that is
 1388 potentially covered by personal injury protection benefits, the
 1389 insurer must reserve \$5,000 of personal injury protection
 1390 benefits for payment to physicians licensed under chapter 458 or
 1391 chapter 459 or dentists licensed under chapter 466 who provide
 1392 emergency services and care, as defined in s. 395.002, or who
 1393 provide hospital inpatient care. The amount required to be held
 1394 in reserve may be used only to pay claims from such physicians
 1395 or dentists until 30 days after the date the insurer receives
 1396 notice of the accident. After the 30-day period, any amount of
 1397 the reserve for which the insurer has not received notice of
 1398 such claims may be used by the insurer to pay other claims. The
 1399 time periods specified in paragraph (b) for payment of personal
 1400 injury protection benefits are tolled for the period of time

1401 that an insurer is required to hold payment of a claim that is
 1402 not from such physician or dentist to the extent that the
 1403 personal injury protection benefits not held in reserve are
 1404 insufficient to pay the claim. This paragraph does not require
 1405 an insurer to establish a claim reserve for insurance accounting
 1406 purposes.

1407 (d) All overdue payments bear simple interest at the rate
 1408 established under s. 55.03 or the rate established in the
 1409 insurance contract, whichever is greater, for the quarter in
 1410 which the payment became overdue, calculated from the date the
 1411 insurer was furnished with written notice of the amount of
 1412 covered loss. Interest is due at the time payment of the overdue
 1413 claim is made.

1414 (e) The insurer of the owner of a motor vehicle shall pay
 1415 personal injury protection benefits for:

1416 1. Accidental bodily injury sustained in this state by the
 1417 owner while occupying a motor vehicle, or while not an occupant
 1418 of a self-propelled vehicle if the injury is caused by physical
 1419 contact with a motor vehicle.

1420 2. Accidental bodily injury sustained outside this state,
 1421 but within the United States of America or its territories or
 1422 possessions or Canada, by the owner while occupying the owner's
 1423 motor vehicle.

1424 3. Accidental bodily injury sustained by a relative of the
 1425 owner residing in the same household, under the circumstances

1426 described in subparagraph 1. or subparagraph 2., if the relative
 1427 at the time of the accident is domiciled in the owner's
 1428 household and is not the owner of a motor vehicle with respect
 1429 to which security is required under ss. 627.732-627.737,
 1430 627.7403, and 627.7405 ~~627.730-627.7405~~.

1431 4. Accidental bodily injury sustained in this state by any
 1432 other person while occupying the owner's motor vehicle or, if a
 1433 resident of this state, while not an occupant of a self-
 1434 propelled vehicle if the injury is caused by physical contact
 1435 with such motor vehicle, if the injured person is not:

1436 a. The owner of a motor vehicle with respect to which
 1437 security is required under ss. 627.732-627.737, 627.7403, and
 1438 627.7405 ~~627.730-627.7405~~; or

1439 b. Entitled to personal injury benefits from the insurer
 1440 of the owner of such a motor vehicle.

1441 (f) If two or more insurers are liable for paying personal
 1442 injury protection benefits for the same injury to any one
 1443 person, the maximum payable is as specified in subsection (1),
 1444 and the insurer paying the benefits is entitled to recover from
 1445 each of the other insurers an equitable pro rata share of the
 1446 benefits paid and expenses incurred in processing the claim.

1447 (g) It is a violation of the insurance code for an insurer
 1448 to fail to timely provide benefits as required by this section
 1449 with such frequency as to constitute a general business
 1450 practice.

1451 (h) Benefits are not due or payable to or on the behalf of
 1452 an insured person if that person has committed, by a material
 1453 act or omission, insurance fraud relating to personal injury
 1454 protection coverage under his or her policy, if the fraud is
 1455 admitted to in a sworn statement by the insured or established
 1456 in a court of competent jurisdiction. Any insurance fraud voids
 1457 all coverage arising from the claim related to such fraud under
 1458 the personal injury protection coverage of the insured person
 1459 who committed the fraud, irrespective of whether a portion of
 1460 the insured person's claim may be legitimate, and any benefits
 1461 paid before the discovery of the fraud is recoverable by the
 1462 insurer in its entirety from the person who committed insurance
 1463 fraud. The prevailing party is entitled to its costs and
 1464 attorney fees in any action in which it prevails in an insurer's
 1465 action to enforce its right of recovery under this paragraph.

1466 (i) If an insurer has a reasonable belief that a
 1467 fraudulent insurance act, for the purposes of s. 626.989 or s.
 1468 817.234, has been committed, the insurer shall notify the
 1469 claimant, in writing, within 30 days after submission of the
 1470 claim that the claim is being investigated for suspected fraud.
 1471 Beginning at the end of the initial 30-day period, the insurer
 1472 has an additional 60 days to conduct its fraud investigation.
 1473 Notwithstanding subsection (10), no later than 90 days after the
 1474 submission of the claim, the insurer must deny the claim or pay
 1475 the claim with simple interest as provided in paragraph (d).

1476 Interest shall be assessed from the day the claim was submitted
 1477 until the day the claim is paid. All claims denied for suspected
 1478 fraudulent insurance acts shall be reported to the Division of
 1479 Investigative and Forensic Services.

1480 (j) An insurer shall create and maintain for each insured
 1481 a log of personal injury protection benefits paid by the insurer
 1482 on behalf of the insured. If litigation is commenced, the
 1483 insurer shall provide to the insured a copy of the log within 30
 1484 days after receiving a request for the log from the insured.

1485 (5) CHARGES FOR TREATMENT OF INJURED PERSONS.—

1486 (c) With respect to any treatment or service, other than
 1487 medical services billed by a hospital or other provider for
 1488 emergency services and care as defined in s. 395.002 or
 1489 inpatient services rendered at a hospital-owned facility, the
 1490 statement of charges must be furnished to the insurer by the
 1491 provider and may not include, and the insurer is not required to
 1492 pay, charges for treatment or services rendered more than 35
 1493 days before the postmark date or electronic transmission date of
 1494 the statement, except for past due amounts previously billed on
 1495 a timely basis under this paragraph, and except that, if the
 1496 provider submits to the insurer a notice of initiation of
 1497 treatment within 21 days after its first examination or
 1498 treatment of the claimant, the statement may include charges for
 1499 treatment or services rendered up to, but not more than, 75 days
 1500 before the postmark date of the statement. The injured party is

1501 not liable for, and the provider may not bill the injured party
 1502 for, charges that are unpaid because of the provider's failure
 1503 to comply with this paragraph. Any agreement requiring the
 1504 injured person or insured to pay for such charges is
 1505 unenforceable.

1506 1. If the insured fails to furnish the provider with the
 1507 correct name and address of the insured's personal injury
 1508 protection insurer, the provider has 35 days from the date the
 1509 provider obtains the correct information to furnish the insurer
 1510 with a statement of the charges. The insurer is not required to
 1511 pay for such charges unless the provider includes with the
 1512 statement documentary evidence that was provided by the insured
 1513 during the 35-day period demonstrating that the provider
 1514 reasonably relied on erroneous information from the insured and
 1515 either:

- 1516 a. A denial letter from the incorrect insurer; or
- 1517 b. Proof of mailing, which may include an affidavit under
 1518 penalty of perjury, reflecting timely mailing to the incorrect
 1519 address or insurer.

1520 2. For emergency services and care rendered in a hospital
 1521 emergency department or for transport and treatment rendered by
 1522 an ambulance provider licensed pursuant to part III of chapter
 1523 401, the provider is not required to furnish the statement of
 1524 charges within the time periods established by this paragraph,
 1525 and the insurer is not considered to have been furnished with

1526 notice of the amount of covered loss for purposes of paragraph
 1527 (4) (b) until it receives a statement complying with paragraph
 1528 (d), or copy thereof, which specifically identifies the place of
 1529 service to be a hospital emergency department or an ambulance in
 1530 accordance with billing standards recognized by the federal
 1531 Centers for Medicare and Medicaid Services.

1532 3. Each notice of the insured's rights ~~under s. 627.7401~~
 1533 must include the following statement in at least 12-point type:
 1534 BILLING REQUIREMENTS.—Florida law provides that with respect to
 1535 any treatment or services, other than certain hospital and
 1536 emergency services, the statement of charges furnished to the
 1537 insurer by the provider may not include, and the insurer and the
 1538 injured party are not required to pay, charges for treatment or
 1539 services rendered more than 35 days before the postmark date of
 1540 the statement, except for past due amounts previously billed on
 1541 a timely basis, and except that, if the provider submits to the
 1542 insurer a notice of initiation of treatment within 21 days after
 1543 its first examination or treatment of the claimant, the
 1544 statement may include charges for treatment or services rendered
 1545 up to, but not more than, 75 days before the postmark date of
 1546 the statement.

1547 (h) As provided in s. 400.9905, an entity excluded from
 1548 the definition of a clinic shall be deemed a clinic and must be
 1549 licensed under part X of chapter 400 in order to receive
 1550 reimbursement under ss. 627.732-627.737, 627.7403, and 627.7405

1551 ~~627.730-627.7405~~. However, this licensing requirement does not
 1552 apply to:

1553 1. An entity wholly owned by a physician licensed under
 1554 chapter 458 or chapter 459, or by the physician and the spouse,
 1555 parent, child, or sibling of the physician;

1556 2. An entity wholly owned by a dentist licensed under
 1557 chapter 466, or by the dentist and the spouse, parent, child, or
 1558 sibling of the dentist;

1559 3. An entity wholly owned by a chiropractic physician
 1560 licensed under chapter 460, or by the chiropractic physician and
 1561 the spouse, parent, child, or sibling of the chiropractic
 1562 physician;

1563 4. A hospital or ambulatory surgical center licensed under
 1564 chapter 395;

1565 5. An entity that wholly owns or is wholly owned, directly
 1566 or indirectly, by a hospital or hospitals licensed under chapter
 1567 395;

1568 6. An entity that is a clinical facility affiliated with
 1569 an accredited medical school at which training is provided for
 1570 medical students, residents, or fellows;

1571 7. An entity that is certified under 42 C.F.R. part 485,
 1572 subpart H; or

1573 8. An entity that is owned by a publicly traded
 1574 corporation, either directly or indirectly through its
 1575 subsidiaries, that has \$250 million or more in total annual

1576 sales of health care services provided by licensed health care
 1577 practitioners if one or more of the persons responsible for the
 1578 operations of the entity are health care practitioners who are
 1579 licensed in this state and who are responsible for supervising
 1580 the business activities of the entity and the entity's
 1581 compliance with state law for purposes of this section.

1582 (6) DISCOVERY OF FACTS ABOUT AN INJURED PERSON; DISPUTES.—

1583 (a) If a request is made by an insurer providing personal
 1584 injury protection benefits under ss. 627.732-627.737, 627.7403,
 1585 and 627.7405 ~~627.730-627.7405~~ against whom a claim has been
 1586 made, an employer must furnish, in a form approved by the
 1587 office, a sworn statement of the earnings, since the time of the
 1588 bodily injury and for a reasonable period before the injury, of
 1589 the person upon whose injury the claim is based.

1590 (g) An insured seeking benefits under ss. 627.732-627.737,
 1591 627.7403, and 627.7405 ~~627.730-627.7405~~, including an omnibus
 1592 insured, must comply with the terms of the policy, which
 1593 include, but are not limited to, submitting to an examination
 1594 under oath. The scope of questioning during the examination
 1595 under oath is limited to relevant information or information
 1596 that could reasonably be expected to lead to relevant
 1597 information. Compliance with this paragraph is a condition
 1598 precedent to receiving benefits. An insurer that, as a general
 1599 business practice as determined by the office, requests an
 1600 examination under oath of an insured or an omnibus insured

1601 without a reasonable basis is subject to s. 626.9541.

1602 (8) APPLICABILITY OF PROVISION REGULATING ATTORNEY FEES.—

1603 With respect to any dispute under the provisions of ss. 627.732-

1604 627.737, 627.7403, and 627.7405 ~~627.730-627.7405~~ between the

1605 insured and the insurer, or between an assignee of an insured's

1606 rights and the insurer, the provisions of ss. 627.428 and 768.79

1607 apply, except as provided in subsections (10) and (15), and

1608 except that any attorney fees recovered must:

1609 (a) Comply with prevailing professional standards;

1610 (b) Not overstate or inflate the number of hours

1611 reasonably necessary for a case of comparable skill or

1612 complexity; and

1613 (c) Represent legal services that are reasonable and

1614 necessary to achieve the result obtained.

1615

1616 Upon request by either party, a judge must make written

1617 findings, substantiated by evidence presented at trial or any

1618 hearings associated therewith, that any award of attorney fees

1619 complies with this subsection. Notwithstanding s. 627.428,

1620 attorney fees recovered under ss. 627.732-627.737, 627.7403, and

1621 627.7405 ~~627.730-627.7405~~ must be calculated without regard to a

1622 contingency risk multiplier.

1623 (16) SECURE ELECTRONIC DATA TRANSFER.—A notice,

1624 documentation, transmission, or communication of any kind

1625 required or authorized under ss. 627.732-627.737, 627.7403, and

1626 627.7405 ~~627.730-627.7405~~ may be transmitted electronically if
 1627 it is transmitted by secure electronic data transfer that is
 1628 consistent with state and federal privacy and security laws.

1629 Section 29. Sections 627.730, 627.731, 627.7311, 627.739,
 1630 and 627.7401, Florida Statutes, of the "Florida Motor Vehicle
 1631 No-Fault Law," are repealed.

1632 Section 30. Section 627.7407, Florida Statutes, is
 1633 repealed.

1634 Section 31. Notwithstanding any other provision of law,
 1635 sections 627.732, 627.733, 627.734, 627.736, 627.737, 627.7403,
 1636 and 627.7405, Florida Statutes, only apply to policies issued
 1637 under the "Florida Motor Vehicle No-Fault Law" that are in force
 1638 on or before December 31, 2017.

1639 Section 32. Section 627.8405, Florida Statutes, is amended
 1640 to read:

1641 627.8405 Prohibited acts; financing companies.—A ~~No~~
 1642 premium finance company ~~shall~~, in a premium finance agreement or
 1643 other agreement, may not finance the cost of or otherwise
 1644 provide for the collection or remittance of dues, assessments,
 1645 fees, or other periodic payments of money for the cost of:

1646 (1) A membership in an automobile club. The term
 1647 "automobile club" means a legal entity that ~~which~~, in
 1648 consideration of dues, assessments, or periodic payments of
 1649 money, promises its members or subscribers to assist them in
 1650 matters relating to the ownership, operation, use, or

1651 maintenance of a motor vehicle; however, the term this
 1652 ~~definition of "automobile club"~~ does not include persons,
 1653 associations, or corporations which are organized and operated
 1654 solely for the purpose of conducting, sponsoring, or sanctioning
 1655 motor vehicle races, exhibitions, or contests upon racetracks,
 1656 or upon racecourses established and marked as such for the
 1657 duration of such particular events. The term words "motor
 1658 vehicle" used herein have the same meaning as defined in chapter
 1659 320.

1660 (2) An accidental death and dismemberment policy sold in
 1661 combination with a policy providing only bodily injury liability
 1662 coverage ~~personal injury protection~~ and property damage
 1663 liability coverage only policy.

1664 (3) Any product not regulated under the provisions of this
 1665 insurance code.

1666

1667 This section also applies to premium financing by any insurance
 1668 agent or insurance company under part XVI. The commission shall
 1669 adopt rules to assure disclosure, at the time of sale, of motor
 1670 vehicle liability insurance coverages financed ~~with personal~~
 1671 ~~injury protection~~ and shall prescribe the form of such
 1672 disclosure.

1673 Section 33. Subsection (1) of section 627.915, Florida
 1674 Statutes, is amended to read:

1675 627.915 Insurer experience reporting.-

1676 (1) Each insurer transacting private passenger automobile
 1677 insurance in this state shall report certain information
 1678 annually to the office. The information will be due on or before
 1679 July 1 of each year. The information shall be divided into the
 1680 following categories: bodily injury liability; property damage
 1681 liability; uninsured motorist; ~~personal injury protection~~
 1682 ~~benefits~~; medical payments; and comprehensive and collision. The
 1683 information given must ~~shall~~ be on direct insurance writings in
 1684 the state alone and must ~~shall~~ represent total limits data. The
 1685 information set forth in paragraphs (a)-(f) is applicable to
 1686 voluntary private passenger and Joint Underwriting Association
 1687 private passenger writings and shall be reported for each of the
 1688 latest 3 calendar-accident years, with an evaluation date of
 1689 March 31 of the current year. The information set forth in
 1690 paragraphs (g)-(j) is applicable to voluntary private passenger
 1691 writings and shall be reported on a calendar-accident year basis
 1692 ultimately seven times at seven different stages of development.

1693 (a) Premiums earned for the latest 3 calendar-accident
 1694 years.

1695 (b) Loss development factors and the historic development
 1696 of those factors.

1697 (c) Policyholder dividends incurred.

1698 (d) Expenses for other acquisition and general expense.

1699 (e) Expenses for agents' commissions and taxes, licenses,
 1700 and fees.

1701 (f) Profit and contingency factors as utilized in the
 1702 insurer's automobile rate filings for the applicable years.

1703 (g) Losses paid.

1704 (h) Losses unpaid.

1705 (i) Loss adjustment expenses paid.

1706 (j) Loss adjustment expenses unpaid.

1707 Section 34. Subsections (2) and (3) of section 628.909,
 1708 Florida Statutes, are amended to read:

1709 628.909 Applicability of other laws.—

1710 (2) The following provisions of the Florida Insurance Code
 1711 apply to captive insurance companies who are not industrial
 1712 insured captive insurance companies to the extent that such
 1713 provisions are not inconsistent with this part:

1714 (a) Chapter 624, except for ss. 624.407, 624.408,
 1715 624.4085, 624.40851, 624.4095, 624.411, 624.425, and 624.426.

1716 (b) Chapter 625, part II.

1717 (c) Chapter 626, part IX.

1718 ~~(d) Sections 627.730-627.7405, when no fault coverage is~~
 1719 ~~provided.~~

1720 (d)(e) Chapter 628.

1721 (3) The following provisions of the Florida Insurance Code
 1722 shall apply to industrial insured captive insurance companies to
 1723 the extent that such provisions are not inconsistent with this
 1724 part:

1725 (a) Chapter 624, except for ss. 624.407, 624.408,

1726 624.4085, 624.40851, 624.4095, 624.411, 624.425, 624.426, and
 1727 624.609(1).

1728 (b) Chapter 625, part II, if the industrial insured
 1729 captive insurance company is incorporated in this state.

1730 (c) Chapter 626, part IX.

1731 ~~(d) Sections 627.730-627.7405 when no fault coverage is~~
 1732 ~~provided.~~

1733 (d)(e) Chapter 628, except for ss. 628.341, 628.351, and
 1734 628.6018.

1735 Section 35. Subsections (2) and (3) of section 628.909,
 1736 Florida Statutes, are amended to read:

1737 628.909 Applicability of other laws.—

1738 (2) The following provisions of the Florida Insurance Code
 1739 apply to captive insurance companies who are not industrial
 1740 insured captive insurance companies to the extent that such
 1741 provisions are not inconsistent with this part:

1742 (a) Chapter 624, except for ss. 624.407, 624.408,
 1743 624.4085, 624.40851, 624.4095, 624.411, 624.425, and 624.426.

1744 (b) Chapter 625, part II.

1745 (c) Chapter 626, part IX.

1746 ~~(d) Sections 627.730-627.7405, when no fault coverage is~~
 1747 ~~provided.~~

1748 (d)(e) Chapter 628.

1749 (3) The following provisions of the Florida Insurance Code
 1750 shall apply to industrial insured captive insurance companies to

1751 the extent that such provisions are not inconsistent with this
 1752 part:

1753 (a) Chapter 624, except for ss. 624.407, 624.408,
 1754 624.4085, 624.40851, 624.4095, 624.411, 624.425, 624.426, and
 1755 624.609(1).

1756 (b) Chapter 625, part II, if the industrial insured
 1757 captive insurance company is incorporated in this state.

1758 (c) Chapter 626, part IX.

1759 ~~(d) Sections 627.730-627.7405 when no fault coverage is~~
 1760 ~~provided.~~

1761 (d)(e) Chapter 628, except for ss. 628.341, 628.351, and
 1762 628.6018.

1763 Section 36. Except as otherwise expressly provided in this
 1764 act, this act shall take effect January 1, 2018.

COMMERCE COMMITTEE

**CS/HB 1063 by Rep. Grall
Motor Vehicle Insurance**

**AMENDMENT SUMMARY
April 13, 2017**

Amendment 1 by Rep. Grall (Line 55): The amendment corrects and adds cross-references to clarify the liability coverage requirements that apply in certain circumstances.

Amendment 2 by Rep. Grall (Line 173): The amendment removes excess terminology to clarify the liability coverage requirements being verified at the time of motor vehicle registration.

Amendment 3 by Rep. Grall (Line 321): The amendment makes a technical change.

Amendment 4 by Rep. Grall (Line 588): The amendment inserts a cross-reference to ensure that the Department of Highway Safety and Motor Vehicles can suspend the license and registration of a driver with a history of convictions for driving under the influence upon failure to show proof of compliance with the Financial Responsibility Law.

Amendment 5 by Rep. Grall (Line 697): The amendment makes a technical change.



Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Committee/Subcommittee hearing bill: Commerce Committee

2 Representative Grall offered the following:

4 **Amendment**

5 Remove lines 55-103 and insert:

6 (1) A ~~Any~~ person operating a motor vehicle for which
7 liability coverage is required under by s. 324.022, s. 324.023,
8 s. 324.032, s. 627.7415, or s. 627.742 must to maintain property
9 damage liability security, required by s. 324.023 to maintain
10 liability security for bodily injury or death, or required by s.
11 627.733 to maintain personal injury protection security on a
12 motor vehicle shall have in his or her immediate possession at
13 all times while operating such motor vehicle proper proof of
14 maintenance of the required security.

15 (a) Such proof shall be in a uniform paper or electronic
16 format, as prescribed by the department, a valid insurance



Amendment No. 1

17 policy, an insurance policy binder, a certificate of insurance,
18 or such other proof as may be prescribed by the department.

19 (b)1. The act of presenting to a law enforcement officer
20 an electronic device displaying proof of insurance in an
21 electronic format does not constitute consent for the officer to
22 access any information on the device other than the displayed
23 proof of insurance.

24 2. The person who presents the device to the officer
25 assumes the liability for any resulting damage to the device.

26 Section 2. Paragraph (b) of subsection (2) of section
27 318.18, Florida Statutes, is amended to read:

28 318.18 Amount of penalties.—The penalties required for a
29 noncriminal disposition pursuant to s. 318.14 or a criminal
30 offense listed in s. 318.17 are as follows:

31 (2) Thirty dollars for all nonmoving traffic violations
32 and:

33 (b) For all violations of ss. 320.0605, 320.07(1),
34 322.065, and 322.15(1). Any person who is cited for a violation
35 of s. 320.07(1) shall be charged a delinquent fee pursuant to s.
36 320.07(4).

37 1. If a person who is cited for a violation of s. 320.0605
38 or s. 320.07 can show proof of having a valid registration at
39 the time of arrest, the clerk of the court may dismiss the case
40 and may assess a dismissal fee of up to \$10. A person who finds
41 it impossible or impractical to obtain a valid registration

157949 - h1063-line 55.docx

Published On: 4/12/2017 5:53:12 PM



Amendment No. 1

42 certificate must submit an affidavit detailing the reasons for
43 the impossibility or impracticality. The reasons may include,
44 but are not limited to, the fact that the vehicle was sold,
45 stolen, or destroyed; that the state in which the vehicle is
46 registered does not issue a certificate of registration; or that
47 the vehicle is owned by another person.

48 2. If a person who is cited for a violation of s. 322.03,
49 s. 322.065, or s. 322.15 can show a driver license issued to him
50 or her and valid at the time of arrest, the clerk of the court
51 may dismiss the case and may assess a dismissal fee of up to
52 \$10.

53 3. If a person who is cited for a violation of s. 316.646
54 can show proof of security as required by s. 324.022, s.
55 324.023, s. 324.032, s. 627.7415, or s. 627.742 ~~627.733,~~



Amendment No. 2

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED _____ (Y/N)
 ADOPTED AS AMENDED _____ (Y/N)
 ADOPTED W/O OBJECTION _____ (Y/N)
 FAILED TO ADOPT _____ (Y/N)
 WITHDRAWN _____ (Y/N)
 OTHER _____

1 Committee/Subcommittee hearing bill: Commerce Committee

2 Representative Grall offered the following:

3

4 **Amendment**

5 Remove lines 173-190 and insert:

6 (d) The verifying of proof of compliance with the
 7 liability coverage requirements of the ~~personal injury~~
 8 ~~protection insurance, proof of property damage liability~~
 9 ~~insurance, proof of combined bodily liability insurance and~~
 10 ~~property damage liability insurance, or proof of financial~~
 11 ~~responsibility law insurance~~ and the issuance or failure to
 12 issue the motor vehicle registration under the provisions of
 13 this chapter may not be construed in any court as a warranty of
 14 the reliability or accuracy of the evidence of such proof, or
 15 that the provisions of any insurance policy furnished as proof
 16 of compliance with the liability coverage requirements of the

259095 - h1063-line 173.docx

Published On: 4/12/2017 5:54:03 PM



Amendment No. 2

17 financial responsibility law comply with the laws of this state.
18 Neither the department nor any tax collector is liable in
19 damages for any inadequacy, insufficiency, falsification, or
20 unauthorized modification of any item of the proof of compliance
21 with the liability coverage requirements of the ~~personal injury~~
22 ~~protection insurance, proof of property damage liability~~
23 ~~insurance, proof of combined bodily liability insurance and~~
24 ~~property damage liability insurance, or proof of financial~~
25 responsibility law insurance prior to, during, or subsequent to
26 the verification of the proof. The issuance of a motor vehicle



Amendment No. 3

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Committee/Subcommittee hearing bill: Commerce Committee
 2 Representative Grall offered the following:

Amendment

5 Remove lines 321-323 and insert:
 6 operation of a motor vehicle. Therefore, this chapter requires
 7 it is required herein that owners and operators of motor
 8 vehicles, except in specified circumstances, establish,
 9 maintain, the operator of a motor

10



Amendment No. 4

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Committee/Subcommittee hearing bill: Commerce Committee

2 Representative Grall offered the following:

3

4 **Amendment**

5 Remove line 588 and insert:

6 security is required under s. ~~ss-~~ 324.022, s. 324.023, s.

7 324.032, s.



Amendment No. 5

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	___	(Y/N)
ADOPTED AS AMENDED	___	(Y/N)
ADOPTED W/O OBJECTION	___	(Y/N)
FAILED TO ADOPT	___	(Y/N)
WITHDRAWN	___	(Y/N)
OTHER	_____	

1 Committee/Subcommittee hearing bill: Commerce Committee

2 Representative Grall offered the following:

3

4 **Amendment**

5 Remove line 697 and insert:

6 owners and ~~or~~ operators of motor vehicles under