

1985

Session Law 85-051

Florida Senate & House of Representatives

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| | | |
|----|---|--------|
| 1 | 1137 A bill to be entitled | 1:btc |
| 2 | An act relating to insurance; amending ss. | 1.4 |
| 3 | 627.420, 627.728 and 627.7281, F.S., relating | |
| 4 | to the definitions of policy and binder with | 1.5 |
| 5 | respect to notice of cancellation and | |
| 6 | nonrenewal; providing an effective date. | 1.6 |
| 7 | | |
| 8 | Be It Enacted by the Legislature of the State of Florida: | 1:enc |
| 9 | | |
| 10 | Section 1. Section 627.420, Florida Statutes, is | 1.6 |
| 11 | amended to read: | |
| 12 | 627.420 Binders.--Binders or other contracts for | 1.7 |
| 13 | temporary property, marine, casualty, or surety insurance may | 1.8 |
| 14 | be made orally or in writing, and shall be deemed to include | 1.9 |
| 15 | all the usual terms of the policy as to which the binder was | 1.10 |
| 16 | given together with such applicable endorsements as are | |
| 17 | designated in the binder, except as superseded by the clear | 1.11 |
| 18 | and express terms of the binder. <u>No notice of cancellation or</u> | 1:lus |
| 19 | <u>notice of nonrenewal otherwise required by this chapter shall</u> | |
| 20 | <u>be required under s. 627.728 or s. 627.7281 unless the</u> | 1.14 |
| 21 | <u>duration of the binder exceeds 60 days. However, an insurer</u> | 1.15 |
| 22 | <u>shall give appropriate notice of cancellation of a binder or</u> | |
| 23 | <u>appropriate notice of the fact that the binder has lapsed even</u> | 1.16 : |
| 24 | <u>though the term of the binder does not exceed 60 days.</u> | 1.17 : |
| 25 | Section 2. Paragraph (a) of subsection (1) of section | 1.17 |
| 26 | 627.728, Florida Statutes, is amended to read: | 1.18 |
| 27 | 627.728 Cancellations; nonrenewals.-- | 1.19 |
| 28 | (1) As used in this section: | 1.21 |
| 29 | (a) "Policy" means the bodily injury and property | 1.22 |
| 30 | damage liability, personal injury protection, medical | 1.23 |
| 31 | payments, comprehensive, collision, and uninsured motorist | 1.25 |

| | | |
|----|--|-------|
| 1 | coverage portions of a policy of motor vehicle insurance | 1.26 |
| 2 | delivered or issued for delivery in this state: | 1.28 |
| 3 | 1. Insuring a natural person as named insured or one | 1.29 |
| 4 | or more related individuals resident of the same household; | 1.30 |
| 5 | and | |
| 6 | 2. Insuring only a motor vehicle of the private | 1.32 |
| 7 | passenger type or station wagon type which is not used as a | 1.33 |
| 8 | public or livery conveyance for passengers or rented to | 1.34 |
| 9 | others; or insuring any other four-wheel motor vehicle having | |
| 10 | a load capacity of 1,500 pounds or less which is not used in | 1.35 |
| 11 | the occupation, profession, or business of the insured other | 1.36 |
| 12 | than farming; other than any policy issued under an automobile | 1.38 |
| 13 | insurance assigned risk plan; insuring more than four | 1.39 |
| 14 | automobiles; or covering garage, automobile sales agency, | 1.40 |
| 15 | repair shop, service station, or public parking place | 1.41 |
| 16 | operation hazards. | |
| 17 | | |
| 18 | <u>"Policy" does not include a binder as defined in s. 627.420</u> | 1:lus |
| 19 | <u>unless the duration of the binder period exceeds 60 days.</u> | 1.43 |
| 20 | Section 3. Section 627.7281, Florida Statutes, is | 1.44 |
| 21 | amended to read: | |
| 22 | 627.7281 Cancellation notice.--An insurer issuing a | 1.45 |
| 23 | policy of motor vehicle insurance not covered under the | 1.46 |
| 24 | cancellation provisions of s. 627.728 shall give the named | |
| 25 | insured notice of cancellation at least 45 days prior to the | 1.47 |
| 26 | effective date of cancellation, except that, when cancellation | 1.48 |
| 27 | is for nonpayment of premium, at least 10 days' notice of | 1.49 |
| 28 | cancellation accompanied by the reason therefor shall be | |
| 29 | given. <u>As used in this section, "policy" does not include a</u> | 1:lus |
| 30 | <u>binder as defined in s. 627.420 unless the duration of the</u> | 1.51 |
| 31 | <u>binder period exceeds 60 days.</u> | |

| | | |
|----|--|------|
| 1 | Section 4. This act shall take effect upon becoming a | 1.52 |
| 2 | law and shall apply to all binders and policies issued after | |
| 3 | the effective date. | 1.53 |
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STORAGE NAME: HB 1137

Date: April 28, 1985

Revised: _____

Final: _____

HOUSE OF REPRESENTATIVES
COMMITTEE ON HEALTH CARE AND INSURANCE
STAFF ANALYSIS

BILL# HB 1137 SPONSOR Reps. Brantley and Crotty

EFFECTIVE DATE Upon becoming law

IDENTICAL/SIMILAR BILLS SB 961

RELATING TO Insurance; Cancellation of binders

OTHER COMMITTEES OF REFERENCE None

I. SUMMARY:

This bill exempts from the notice requirements for cancellation and nonrenewal of motor vehicle insurance policies binders or other contracts for temporary insurance, unless the duration of the binder exceeds 60 days. For binders that do not exceed 60 days, an insurer would be required to give appropriate notice of cancellation of a binder or appropriate notice of the fact that the binder has lapsed.

Section 627.728 requires that at least 45 days' notice be given prior to the cancellation or nonrenewal of private passenger motor vehicle insurance policies. Only 10 days' notice is required if cancellation is for nonpayment of premium. Section 627.7281 requires 45 days' notice of cancellation (10 days for nonpayment of premium) for motor vehicle insurance not covered under s. 627.728, i.e., commercial motor vehicle policies.

A "binder" is described in s. 627.420 as a contract for temporary property, marine, casualty, or surety insurance that may be made orally or in writing, which shall include all the usual terms of the policy, except as superseded by the clear and express terms of the binder. Arguably, a binder for a motor vehicle insurance policy could be considered a "policy" subject to the cancellation and nonrenewal provisions of ss. 627.728 and 627.7281. However, binders are generally of short duration, such as 15 days. A strict interpretation of these statutes would require 45 days' notice of cancellation or non-renewal of a binder, which interpretation effectively prohibits binders of a shorter duration than 45 days.

The bill excludes binders, as defined in s. 627.420, from the definition of "policy" in ss. 627.728 and 627.7281, making the notice requirements for cancellation and nonrenewals inapplicable to binders, unless the binder period exceed 60 days. (Although s. 627.728 also includes restrictions on reasons for cancellation, policies in effect for less than 60 days are presently expressly exempt from these restrictions. Therefore, this bill does not affect these provisions.) The bill also amends the section describing binders, s. 627.420, to require appropriate notice of cancellation of a binder or appropriate notice of the fact that the binder has lapsed even though the term of the binder does not exceed 60 days.

II. ECONOMIC IMPACT:

A. PRIVATE SECTOR

Motor vehicle insurers would clearly be authorized to issue binders of a duration of less than 45 or 60 days with appropriate notice of cancellation.

B. GOVERNMENT

None

III. COMMENTS:

None

IV. AMENDMENTS:

V. PREPARED BY Brian Deffenbaugh ^{DD}

VI. EDITOR-IN-CHIEF Sandra Anderson 

BILL ACTION RECORD

House of Representatives

Sub Committee on Health & Life Insurance
 Meeting Time _____
 Place _____

Bill No. HB 1137
 Date received _____
 Date Reported _____

Referred to Subcommittee on _____
 Subcommittee report:
 ___ favorable
 ___ favorable with ___ amendments
 ___ unfavorable

Committee Action:
 ___ Temporarily passed
 ___ Reconsidered
 ___ favorable
 favorable with 1 amendments
 ___ favorable with committee substitute
 ___ unfavorable
 Other action: _____

| Final vote on bill | | | #1 | | | | | | | | | |
|--|------|-----------------|------|------|------|------|------|------|------|------|------|------|
| Yeas | Nays | | Yeas | Nays | Yeas | Nays | Yeas | Nays | Yeas | Nays | Yeas | Nays |
| <input checked="" type="checkbox"/> | | Grindle | | | | | | | | | | |
| <input checked="" type="checkbox"/> | | Kimmel | | | | | | | | | | |
| <input checked="" type="checkbox"/> | | Lawson | | | | | | | | | | |
| <input checked="" type="checkbox"/> | | Meffert | | | | | | | | | | |
| <input checked="" type="checkbox"/> | | Lewis, Chairman | | | | | | | | | | |
| <p>COPY reproduced by FLORIDA STATE ARCHIVES DEPARTMENT OF STATE R. A. GRAY BUILDING Tallahassee, FL 32399-0250 Series <u>14</u> Carton <u>1495</u></p> | | | | | | | | | | | | |
| <u>5</u> | | TOTALS | | | | | | | | | | |
| Yeas | Nays | | Yeas | Nays | Yeas | Nays | Yeas | Nays | Yeas | Nays | Yeas | Nays |

A M E N D M E N T

SUBCOMMITTEE ON HEALTH AND LIFE INSURANCE
AND GENERAL INSURANCE REGULATION

HB 1137

offered the following amendment:

On page 1, lines 20-24, strike all of said lines

and insert: be required unless the duration of the binder exceeds 60 days. However, for purposes of ss. 627.728 and 627.7281, an insurer shall give 5 days prior notice of cancellation of a binder, unless the binder is replaced by a policy or another binder in the same or another company.

Adopted

Failed of Adoption

AMENDMENT -- FOR DRAFTING ONLY

(MUST BE TYPED ON FORM H-29 OR H-39 BEFORE PRESENTATION)

Representative, s/ The Committee on _____

HB 1137

offered the following amendment:

SB _____

On page 1, line s 20-24, strike

all of said lines

and insert: be required unless the duration of the binder exceeds 60
days. However, for purposes of ss. 627.728 and 627.7281, an insurer
shall give 5 days prior notice of cancellation of a binder, unless the
binder is replaced by a policy or another binder in the same or
another company.

adopted

failed of adoption

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

| | <u>ANALYST</u> | <u>STAFF DIRECTOR</u> | <u>REFERENCE</u> | <u>ACTION</u> |
|----|-----------------------------|-----------------------------|--------------------------------|-----------------------------|
| 1. | <u>Granger</u> <i>Mc</i> | <u>Cain</u> <i>Mc</i> | 1. <u>COM</u> | <u>Fav/CS</u> |
| 2. | <u> </u> | <u> </u> | 2. <u> </u> | <u> </u> |
| 3. | <u> </u> | <u> </u> | 3. <u> </u> | <u> </u> |

SUBJECT:

Insurance

BILL NO. AND SPONSOR:

CS/SB 961 by Commerce Committee and Senator Deratany (Enrolled)

COPY

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 FLORIDA STATE ARCHIVES
 DEPARTMENT OF STATE
 R. A. GRAY BUILDING
 Tallahassee, FL 32399-0250
 Series 18 Carton 1506

I. SUMMARY:

A. Present Situation:

An insurance policy is defined in s. 627.402, Florida Statutes, as a written contract of or written agreement for or effecting insurance, or the certificate thereof, by whatever name called, and includes all clauses, riders, endorsements, and papers which are a part thereof. An insurance binder is either an oral or written contract of insurance which provides temporary coverage while the insurer examines the risk and decides whether or not to cover it on an extended basis. Most binders have a short duration, with the norm reportedly being 15 days. Under the current statutory scheme, written insurance binders could be considered "policies" under s.627.402, F.S.

Sections 627.728 and 627.7281, F.S., presently provide that in order for notice of cancellation of a motor vehicle insurance policy to be effective, it must be mailed or given by the insurer to the named insured and the named insured's insurance agent at least 45 days prior to the effective date of the cancellation. However, when cancellation is for nonpayment of premium, a 10-day notice is sufficient. Notices of the insurers intent not to renew a policy also must be sent 45 days prior to nonrenewal under s. 627.728, F.S., unless the insurer has manifested its intent to renew or in the case of nonpayment of premium.

B. Effect of Proposed Changes:

It is implausible to apply the 45 day notice requirements identified above to motor vehicle insurance binders, the majority of which have a duration for shorter than 45 days. CS/SB 961 addresses this issue by requiring that the insurer give 5 days notice prior to cancellation or non-renewal of a binder for motor vehicle insurance if the binder does not exceed 60 days duration, unless it is replaced by a policy or another binder in the same or another company. The bill also provides that for binders on other types of insurance, no notice of cancellation or non-renewal need to be given unless the binder exceeds 60 days.

In addition to amending s. 627.420, F.S., to provide for the above, SB 961 amends sections 627.728 and 627.7281, F.S., to expressly provide that the 45 day notice provisions are inapplicable to binders which do not exceed 60 days in duration.

II. ECONOMIC IMPACT AND FISCAL NOTE:

A. Public:

None.

B. Government:

None.

III. COMMENTS:

None.

IV. AMENDMENTS:

None.

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

| | <u>ANALYST</u> | <u>STAFF DIRECTOR</u> | <u>REFERENCE</u> | <u>ACTION</u> |
|----|---------------------------|-----------------------|------------------|---------------|
| 1. | <u>Granger</u> <i>766</i> | <u>Cain</u> <i>AC</i> | 1. <u>COM</u> | _____ |
| 2. | _____ | _____ | 2. _____ | _____ |
| 3. | _____ | _____ | 3. _____ | _____ |

SUBJECT:

Insurance

BILL NO. AND SPONSOR:

SB 961 by
Senator Deratany

COPY

reproduced by
 FLORIDA STATE ARCHIVES
 DEPARTMENT OF STATE
 R A GRAY BUILDING
 Tallahassee, FL 32399-0250
 Series 78 Carton 1506

I. SUMMARY:

A. Present Situation:

An insurance policy is defined in s. 627.402, Florida Statutes, as a written contract of or written agreement for or effecting insurance, or the certificate thereof, by whatever name called, and includes all clauses, riders, endorsements, and papers which are a part thereof. An insurance binder is either an oral or written contract of insurance which provides temporary coverage while the insurer examines the risk and decides whether or not to cover it on an extended basis. Most binders have a short duration, with the norm reportedly being 15 days. Under the current statutory scheme, written insurance binders could be considered "policies" under s.627.402,F.S.

Sections 627.728 and 627.7281, F.S., presently provide that in order for notice of cancellation of a motor vehicle insurance policy to be effective, it must be mailed or given by the insurer to the named insured and the named insured's insurance agent at least 45 days prior to the effective date of the cancellation. However, when cancellation is for nonpayment of premium, a 10-day notice is sufficient. Notices of the insurers intent not to renew a policy also must be sent 45 days prior to nonrenewal under s. 627.728, F.S., unless the insurer has manifested its intent to renew or in the case of nonpayment of premium.

B. Effect of Proposed Changes:

It is implausible to apply the 45 day notice requirements identified above to insurance binders, the majority of which have a duration for shorter than 45 days. SB 961 addresses this issue by providing that the 45 day notice provisions of sections 627.728 and 627.7281, F.S., apply only to binders which exceed 60 days in duration. The insurer is required to give appropriate notice of cancellation of the binder or appropriate notice of the fact that the binder has lapsed if the binder does not exceed 60 days duration.

In addition to amending s. 627.420, F.S., to provide for the above, SB 961 amends sections 627.728 and 627.7281, F.S., to expressly provide that the 45 day notice provisions are inapplicable to binders which do not exceed 60 days in duration.

II. ECONOMIC IMPACT AND FISCAL NOTE:

A. Public:

None.

B. Government:

None.

III. COMMENTS:

The requirement that insurers give "appropriate notice" of cancellation of a binder is very vague. An amendment to clarify what constitutes appropriate notice may be necessary.

IV. AMENDMENTS:

None.

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

| <u>ANALYST</u> | <u>STAFF DIRECTOR</u> | <u>REFERENCE</u> | <u>ACTION</u> |
|------------------------------|-----------------------|------------------|---------------|
| 1. <u>Granger</u> <i>Tic</i> | <u>Cair</u> <i>HC</i> | 1. <u>COM</u> | <u>Fav/CS</u> |
| 2. _____ | _____ | 2. _____ | _____ |
| 3. _____ | _____ | 3. _____ | _____ |

SUBJECT: Insurance

BILL NO. AND SPONSOR: CS/SB 961 by Commerce Committee and Senator Deratany

I. SUMMARY:

A. Present Situation:

An insurance policy is defined in s. 627.402, Florida Statutes, as a written contract of or written agreement for or effecting insurance, or the certificate thereof, by whatever name called, and includes all clauses, riders, endorsements, and papers which are a part thereof. An insurance binder is either an oral or written contract of insurance which provides temporary coverage while the insurer examines the risk and decides whether or not to cover it on an extended basis. Most binders have a short duration, with the norm reportedly being 15 days. Under the current statutory scheme, written insurance binders could be considered "policies" under s.627.402, F.S.

Sections 627.728 and 627.7281, F.S., presently provide that in order for notice of cancellation of a motor vehicle insurance policy to be effective, it must be mailed or given by the insurer to the named insured and the named insured's insurance agent at least 45 days prior to the effective date of the cancellation. However, when cancellation is for nonpayment of premium, a 10-day notice is sufficient. Notices of the insurers intent not to renew a policy also must be sent 45 days prior to nonrenewal under s. 627.728, F.S., unless the insurer has manifested its intent to renew or in the case of nonpayment of premium.

B. Effect of Proposed Changes:

It is implausible to apply the 45 day notice requirements identified above to insurance binders, the majority of which have a duration for shorter than 45 days. SB 961 addresses this issue by providing that the 45 day notice provisions of sections 627.728 and 627.7281, F.S., apply only to binders which exceed 60 days in duration. The insurer is required to give 5 days notice prior to cancellation of a binder if it does not exceed 60 days duration, unless the binder is replaced by a policy of another binder in the same or another company.

In addition to amending s. 627.420, F.S., to provide for the above, SB 961 amends sections 627.728 and 627.7281, F.S., to expressly provide that the 45 day notice provisions are inapplicable to binders which do not exceed 60 days in duration.

II. ECONOMIC IMPACT AND FISCAL NOTE:

A. Public:

None.

B. Government:

None.

III. COMMENTS:

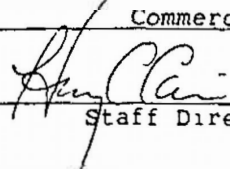
None.

IV. AMENDMENTS:

None.

STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
COMMITTEE SUBSTITUTE FOR SENATE BILL 961

CS/SB 961 requires that an insurer give five days notice prior to cancellation of a binder if the binder does not exceed 60 days duration, unless it is replaced by a policy of another binder in the same or another company.

Committee on Commerce

Staff Director

BILL ACTION REPORT

(C3-75: File with Secretary of Senate)

(S) ~~(H)~~ BILL NO. 961

COMMITTEE ON Commerce

DATE May 2, 1985

Date Reported 5/2/85

TIME 2:00 p.m. - 5:00 p.m.

FINAL ACTION:

PLACE Committee Room "A"

 Favorably with amendments

OTHER COMMITTEE REFERENCES:
(In order shown)

XX Favorably with Committee Substitute

 Unfavorably

OTHER: Temporarily Passed

 Reconsidered

 Not Considered

THE VOTE WAS:

Deratany moved cs

| FINAL BILL VOTE | | SENATORS | Amend. #1 Deratany | | Motion for CS Deratany | | | | | | | | |
|-------------------|-----|----------------------|--------------------|-----|------------------------|-----|-----|-----|-----|-----|-----|-----|--|
| Aye | Nay | | Aye | Nay | Aye | Nay | Aye | Nay | Aye | Nay | Aye | Nay | |
| | | BARRON, Demsey J. | | | | | | | | | | | |
| | | DERATANY, Timothy D. | | | | | | | | | | | |
| | | FOX, Roberta | | | | | | | | | | | |
| | | GIRARDEAU, Arnett E. | | | | | | | | | | | |
| | | GORDON, Jack D. | | | | | | | | | | | |
| | | LANGLEY, Richard H. | | | | | | | | | | | |
| WITHOUT OBJECTION | | MARGOLIS, Gwen | WITHOUT OBJECTION | | WITHOUT OBJECTION | | | | | | | | |
| | | McPHERSON, Tom | | | | | | | | | | | |
| | | MEEK, Carrie P. | | | | | | | | | | | |
| WITHOUT OBJECTION | | SCOTT, James A. | WITHOUT OBJECTION | | WITHOUT OBJECTION | | | | | | | | |
| | | THOMAS, Pat | | | | | | | | | | | |
| | | GRANT, Bill | | | | | | | | | | | |
| | | HAIR, Mattox | | | | | | | | | | | |
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| XX | | TOTAL | XX | | XX | | | | | | | | |
| Aye | Nay | | Aye | Nay | Aye | Nay | Aye | Nay | Aye | Nay | Aye | Nay | |

- (Attach additional page if necessary)

Please Complete. The key sponsor appeared (XX)
 A Senator appeared ()
 Sponsor's aide appeared ()
 Other appearance ()

SENATE COMMITTEE AMENDMENT

SB 961

No. 1
(reported favorably)

HB _____

The Committee on.....Commerce.....recommended the following amendment which was moved by Senator.....and adopted: and failed:

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Amendment

On page .1....., lines..20-24...., strike
all of said lines

If amendment is text from another bill insert:

Bill No. _____ Draft No. _____ With Changes? Yes No _

and insert:

be required unless the duration of the binder exceeds 60 days.
However, for purposes of ss. 627.728 and 627.7281, an insurer
shall give 5 days prior notice of cancellation of a binder,
unless the binder is replaced by a policy of another binder in
the same or another company.

CODING: Words stricken are deletions; words underlined are additions.

* Amendment No. __, taken up by committee: Adopted __ *
* Offered by _____ Failed __ *

(Amendment No. _____ Adopted __ Failed __ Date __/__/__)

By Representatives Brantley and Crotty

1 A bill to be entitled
 2 An act relating to insurance; amending ss.
 3 627.420, 627.728 and 627.7281, F.S., relating
 4 to the definitions of policy and binder with
 5 respect to notice of cancellation and
 6 nonrenewal; providing an effective date.

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

This publication was produced at an average cost of 15 cents per single page in compliance with the rules and for the information of members of the Legislature and the public.

10 Section 1. Section 627.420, Florida Statutes, is
 11 amended to read:
 12 627.420 Binders.--Binders or other contracts for
 13 temporary property, marine, casualty, or surety insurance may
 14 be made orally or in writing, and shall be deemed to include
 15 all the usual terms of the policy as to which the binder was
 16 given together with such applicable endorsements as are
 17 designated in the binder, except as superseded by the clear
 18 and express terms of the binder. No notice of cancellation or
 19 notice of nonrenewal otherwise required by this chapter shall
 20 be required under s. 627.728 or s. 627.7281 unless the
 21 duration of the binder exceeds 60 days. However, an insurer
 22 shall give appropriate notice of cancellation of a binder or
 23 appropriate notice of the fact that the binder has lapsed even
 24 though the term of the binder does not exceed 60 days.

25 Section 2. Paragraph (a) of subsection (1) of section
 26 627.728, Florida Statutes, is amended to read:
 27 627.728 Cancellations; nonrenewals.--
 28 (1) As used in this section:
 29 (a) "Policy" means the bodily injury and property
 30 damage liability, personal injury protection, medical
 31 payments, comprehensive, collision, and uninsured motorist

| | | |
|----|--|-------|
| 1 | coverage portions of a policy of motor vehicle insurance | 1.26 |
| 2 | delivered or issued for delivery in this state: | 1.28 |
| 3 | 1. Insuring a natural person as named insured or one | 1.29 |
| 4 | or more related individuals resident of the same household; | 1.30 |
| 5 | and | |
| 6 | 2. Insuring only a motor vehicle of the private | 1.32 |
| 7 | passenger type or station wagon type which is not used as a | 1.33 |
| 8 | public or livery conveyance for passengers or rented to | 1.34 |
| 9 | others; or insuring any other four-wheel motor vehicle having | |
| 10 | a load capacity of 1,500 pounds or less which is not used in | 1.35 |
| 11 | the occupation, profession, or business of the insured other | 1.36 |
| 12 | than farming; other than any policy issued under an automobile | 1.38 |
| 13 | insurance assigned risk plan; insuring more than four | 1.39 |
| 14 | automobiles; or covering garage, automobile sales agency, | 1.40 |
| 15 | repair shop, service station, or public parking place | 1.41 |
| 16 | operation hazards. | |
| 17 | | |
| 18 | <u>"Policy" does not include a binder as defined in s. 627.420</u> | 1:lus |
| 19 | <u>unless the duration of the binder period exceeds 60 days.</u> | 1.43 |
| 20 | Section 3. Section 627.7281, Florida Statutes, is | 1.44 |
| 21 | amended to read: | |
| 22 | 627.7281 Cancellation notice.--An insurer issuing a | 1.45 |
| 23 | policy of motor vehicle insurance not covered under the | 1.46 |
| 24 | cancellation provisions of s. 627.728 shall give the named | |
| 25 | insured notice of cancellation at least 45 days prior to the | 1.47 |
| 26 | effective date of cancellation, except that, when cancellation | 1.48 |
| 27 | is for nonpayment of premium, at least 10 days' notice of | 1.49 |
| 28 | cancellation accompanied by the reason therefor shall be | |
| 29 | given. <u>As used in this section, "policy" does not include a</u> | 1:lus |
| 30 | <u>binder as defined in s. 627.420 unless the duration of the</u> | 1.51 |
| 31 | <u>binder period exceeds 60 days.</u> | |

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| 1 | Section 4. This act shall take effect upon becoming a | 1.52 |
| 2 | law and shall apply to all binders and policies issued after | |
| 3 | the effective date. | 1.53 |
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| 5 | ***** | |
| 6 | HOUSE SUMMARY | |
| 7 | Provides that provisions which specifically relate to | |
| 8 | notice of cancellation or nonrenewal of an insurance | |
| 9 | policy shall not be applicable to a "binder" unless the | |
| 10 | duration of the binder exceeds 60 days. | |
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