



2020 Legislative Session Recap

The 2020 Florida Session was book-ended by the new year and coronavirus, beginning in mid-January and ending the second week of March. As a result of Hurricane Michael experiences, there were a number of issues that our association had to address defensively, while we also worked on some unfinished business from last year, namely, assisting WSIA on the home state premium tax issue.

Below is a brief summary of what passed and failed in the 2020 session. We do expect some of the issues that did not pass to come up next session, and we also anticipate a potential coronavirus special session either late summer or fall. This underscores the importance of continued political engagement and support.

As always, please do not hesitate to reach out if you would like additional information.

Bills Addressing Surplus Lines Insurance

- [SB 1492/HB 1137](#): **Consumer Protection (died)** This bill was designed in response to things experienced after Hurricane Michael. In addition to reforming laws regarding unclaimed property, it established a licensure framework for adjusting firms, extended the cooling-off period during which a consumer who entered into a contract with a public adjuster could cancel the contract without cause, amended various disclosures and required information about company adjusters to be provided to policyholders, prohibited admitted and surplus lines insurance claims from being litigated outside of the state, and integrated surplus lines insurance policies into s. 627.70131, F.S., which currently applies to the admitted market.
- [SB 292/HB 269](#): **Loss Run Reports (passed)** The Florida Association of Independent Insurance Agents pushed to codify a process for policyholders to request loss runs. It was amended to specifically address what had to be in a loss run, as well as to allow the provision of a CLUE report for personal lines. The final version is [here](#).
- [HB 7097](#): **Tax Cuts** This year's tax package was negotiated on the last few days of the 2020 session and was significantly cut because of the additional dollars anticipated to be required for the COVID-19 outbreak. The package included a back-to-school holiday, disaster preparedness holiday, as well as a change to the surplus lines insurance premium tax. This change eliminated the requirement that the tax be calculated where the risk is located, and instead recognizes Florida's tax rate as applicable to the entire premium. Further, in order for the calculation change to be revenue neutral, the tax rate was changed from 5 to 4.94 percent. **This bill was approved by the Governor on April 8th and will go into effect July 1.**
- [HB 1357/SB 1760](#): **Property Insurance (died)** A more aggressive version of the CFO's Hurricane Michael legislation (SB 1492/HB 1137) cleared just one House committee. It sought to prohibit surplus lines agents from delivering any policy requiring dispute resolution outside Florida or applying the laws of another state; provided that any action or dispute involving a property insurance policy issued by a Florida insurers or a claim against an insurer issuing property insurance policies in Florida had to be conducted in Florida and governed by Florida law; amended s. 627.70131, F.S., by applying it to all commercial insurance policies and all policies written by surplus lines carriers; and amended the Valued Policy Law to extend it to surplus lines carriers and require that an insurer's liability under a property insurance policy includes liability for ordinance, rule, and law coverage.

Other Bills of Interest

- [HB 359/SB 1606](#): **Insurance (passed)** SB 1606 unexpectedly became the insurance omnibus bill this year, after several iterations of another bill were adjusted but could not clear certain committees. **The final version of SB 1606 can be found [here](#).** The bill:
 - Requires that an electronic signature used to satisfy the signature requirement for a salvage certificate of title must be executed using a system providing a Level 2 authentication level;
 - Requires insurers to file with the Department of Financial Services (DFS or department) the name and email address of the person who will receive civil remedy notices;
 - Amends the civil remedy notices' statute of limitations when an appraisal is invoked from 60 days after it is invoked instead of 65 days after mailing of notice;
 - Prohibits the DFS and the Office of Insurance Regulation (OIR) from disseminating aggregated information if it contains trade secret information that can be individually extrapolated;
 - Extends the closure of the OIR's review period for property and casualty rate and form filings to the close of the following business day if the deadline falls on a weekend or holiday;
 - Clarifies that the condominium unit owner's property loss assessment coverage in effect one day before the date of an occurrence that resulted in a loss is the applicable coverage for the loss;
 - Allows insurers to cancel auto policies for non-payment after 30 days, instead of the current 60 days;
 - Allows for an electronic method of workers compensation payments to be used; and
 - Expands the Florida Insurance Code to include a new chapter of statutes to regulate the transaction of travel insurance based on the National Association of Insurance Commissioners (NAIC) Model Act.
- [SB 1404/HB 1077](#): **Department of Financial Services (died)** This bill made a number of departmental changes to the Divisions of Public Assistance Fraud, Funeral, Cemetery, and Consumer Services, and the State Fire Marshal. It was also amended to include a reduced statute of limitations for hurricane claims.

- [SB 1564/HB 1189](#): **Genetic Testing for Life Insurance Policies (passed)** A long-term priority of the next Speaker of the House, Rep. Chris Sprowls, passed in a modified form this year. The bill prohibits life insurers from canceling, limiting, or denying coverage, and from setting different premium rates, based on personal genetic information without a specific diagnosis related to the genetic information. The bill also prohibits insurers from requiring or soliciting genetic information, using genetic test results, or considering a person's decision or actions relating to genetic testing for any purpose. Lastly, the bill does acknowledge that it cannot be used to prevent life insurers from accessing an individual's medical record as part of an application, nor to prevent such insurers from considering a medical diagnosis included in an applicant's medical record, even if a diagnosis resulted from the use of a genetic test. The final bill is [here](#).
- [SB 378/HB 771](#): **PIP Repeal (died)** PIP repeal died in Senate & Banking Insurance Week 5.

Tort

- **Accuracy in Damages: (died)** [SB 1668/HB 9](#) Bills to reform the wayward use of letters of protection (LOPs) in liability suits died as a result of lack of final committee action in the Senate.
- **Litigation Financing Reform: (died)** [SB 1828/HB 7041](#) Attempts to rein in unscrupulous loan behavior for lawsuit financing also did not clear the Senate.
- **Asbestos (died)** [HB 741/SB 1582](#). While this nearly passed, a disagreement about the ability to introduce certain information into evidence prevented this issue from passing, as the Senate bill did not provide clear direction as to admissibility for certain elements.
- **Motor Vehicle Dealership Vicarious Liability Reform: (passed)** [HB 977/SB 1738](#) This bill clarifies the extension of a Fourth DCA case about the interaction between dealership loaner cars and the Graves amendment. The final version can be found [here](#).
- **Contingency Risk Multiplier: (died)** [SB 914/HB 7071](#) A bill prohibiting the use of contingency risk multipliers in Florida property insurance litigation died in the Senate Rules Committee, after failing to get a hearing.

Your support for our PAC (political action committee) helps ensure we have eyes, ears and voices at the Capitol and in the media. Advocacy efforts are essential for organizations large and small throughout Florida. We have educated lawmakers about our issues, forged new relationships and seen positive feedback and renewed appreciation for the role of surplus lines.

