

By Senator Fasano

11-382-03

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A bill to be entitled
An act relating to motor vehicle insurance;
amending s. 627.7283, F.S.; requiring an
insurer to refund the entire unearned premium
to any member of the armed services who cancels
a policy under certain circumstances; providing
an effective date.

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

Section 1. Subsection (4) of section 627.7283, Florida
Statutes, is amended to read:

627.7283 Cancellation; return of premium.--

(4) If the insured cancels, the insurer may retain up
to 10 percent of the unearned premium and must refund at least
90 percent of the unearned premium. However, the insurer must
refund 100 percent of the unearned premium if the insured is a
member of any branch of the United States Armed Services,
whether an active or a reserve member, who cancels because he
or she has been called to active duty or transferred by the
armed services to a location where the insurance is not
required.If the insurer cancels, the insurer must refund 100
percent of the unearned premium. Cancellation is without
prejudice to any claim originating prior to the effective date
of the cancellation. For purposes of this section, unearned
premiums must be computed on a pro rata basis.

Section 2. This act shall take effect upon becoming a
law.

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SENATE SUMMARY

Requires the insurer to refund the entire amount of the unearned premium to an insured who cancels a policy of motor vehicle insurance if the insured is a member of the armed forces who is being called to active duty or transferred to a location where the insurance is not required.