



# DAILY BRIEF

For the 2019 Legislative Session

**From April 8, 2019**

## **INSURANCE**

### **SB 714 – Relating to Insurance**

On Monday, April 8, **SB 714** by Senator Jeff Brandes (R-Saint Petersburg) was heard in the Senate Banking and Insurance Committee and was reported favorably with 7 yeas and 0 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

This bill amends several insurance-related statutes, specifically:

- Requires the Florida Hurricane Catastrophe Fund (FHCF) to reimburse a covered insurer's loss adjustment expenses at 10 percent of the insurer's loss reimbursement, instead of 5 percent as under current law;
- Authorizes insurers to transfer title of totaled motor vehicles or mobile homes to the Department of Highway Safety and Motor Vehicles electronically as well as through regular mail;
- Provides that workers compensation insurance applicants and their agents are no longer required to have their sworn statements notarized;
- Allows an insurer to offer and give insureds goods or services of any value for the purposes of loss control or loss mitigation related to covered risks. Currently it is an unfair insurance trade practice to provide items or services to an insured valued at more than \$100 per year;
- Allows a property, casualty, or surety insurer to offer a premium discount for a policy if another policy has been purchased from a different insurer that:
  - Has a joint marketing arrangement with the insurer offering the discount;
  - Issued the policy pursuant to the Citizens clearinghouse program if the same agent is servicing both policies; or
  - Has its policy serviced by the same agent who is servicing the discounted policy.
- Requires a premium discount offered by a property, casualty, or surety insurer to be actuarially sound.

SB 714 will now move to the Senate Rules Committee.

**AIF supports legislative efforts to reduce insurance rates to maintain Florida's business friendly climate.**

## **HEALTH CARE**

### **SB 1192- Relating to Electronic Prescribing**

On Monday, April 8, **SB 1192** by Senator Aaron Bean (R-Jacksonville) was heard in the Senate Health Policy Committee and was reported favorably with 9 yeas and 0 nays. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

Electronic prescribing (e-prescribing) is a method by which an authorized health care practitioner electronically transmits a prescription to a pharmacy using a secure software system. Efforts have been made by states, as well as the federal government, to increase the use of e-prescribing software. Beginning January 1, 2020, unless under certain circumstances, SB 1192 requires prescribers to generate and transmit all prescriptions electronically.

SB 1192 will now move to the Senate Appropriations Subcommittee on Health and Human Services.

**AIF supports legislation that provides for improved prescription accuracy, increased patient safety, reduced opportunities for fraud and abuse and reduced overall costs. Improving the overall functionality and cost will further enable Florida employers to provide health care coverage for our citizens.**

### **SB 1180 – Relating to Consumer Protections from Nonmedical Prescription Drug Formularies**

On Monday, April 8, **SB 1180** by Senator Debbie Mayfield (R-Melbourne) was heard before the Senate Health Policy Committee and was reported favorably with 8 yeas and 1 nay. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, spoke in opposition to this legislation.**

A major driver of health care costs is the rising cost of medicines. Drug companies raise the prices of both new and old medicines at will. No government body—not the Federal Trade Commission, not the Food and Drug Administration, and not the Centers for Medicare & Medicaid Services—have rules or laws that dictate or restrict the price a pharmaceutical company can set for a drug - and in most cases, there's nothing that restricts how much a drug company can raise that price.

This bill would eliminate the only current force to counter the price increases on pharmaceuticals – the threat of losing insurance coverage, which helps push back on arbitrary

price hikes. Handcuffing the negotiators who work hard to make sure drugs are affordable is bad public policy and will help make health insurance even more unaffordable.

SB 1180 will now move to the Senate Rules Committee.

**AIF opposes legislation that removes cost controls and increases healthcare costs for Florida businesses.**

## **LEGAL & JUDICIAL**

### **HB 57 – Relating to Percentage of Elector Votes Required to Approve an Amendment or a Revision**

On Monday, April 8, **HB 57** by Representative Rick Roth (R-Palm Beach Gardens) was heard in the House State Affairs Committee and was reported favorably with 15 yeas and 6 nays. **AIF stood in support of this legislation.**

This bill changes the vote threshold for amendments and revisions to Florida’s constitution from the current 60% of elector votes to 66 and 2/3%.

HB 57 will now move to the House Judiciary Committee.

**AIF supports the measures contained in this bill to prevent interest groups’ circumvention of the legislature in revising Florida’s constitution.**

### **SB 772 – Relating to Liens Against Motor Vehicles and Vessels**

On Monday, April 8, **SB 772** by Senator Kelli Stargel (R-Lakeland) was heard in the Senate Judiciary Committee and was reported favorably with 6 yeas and 0 nays. **AIF’s Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

Currently, towing companies and auto repair shops, among others, may impose a lien on automobiles for towing and storage charges, as well as unpaid repair costs. The current statute requires the lienor to give the auto owner and all parties that have a financial interest in the auto notice of the lien and the public sale of the auto to cover paying off the lien.

Unfortunately, some “bad actors” in Florida have been abusing our current system by:

- Manipulating the time period for sending the notice of lien and notice of sale to eliminate the owner or finance company’s ability to pay the charges and recover the auto;

- Sending empty envelopes to the entity that has lien on the auto for providing the financing of the auto;
- Imposing very high administrative fees for perfecting the lien and enforcing the lien;
- Adding unreasonable or fraudulent charges to the towing or repair bill to justify the sale of the auto and keeping all proceeds of the sale.

SB 772 will now move to the Senate Rules Committee.

**AIF supports legislation that prevents the increase in insurance rates. When 'bad actor' companies take advantage of the current lien laws, insurance rates become improperly inflated and has a harmful effect on many sectors of the business community.**

### **SB 862 – Relating to Lessor Liability Under Special Mobile Equipment Leases**

On Monday, April 8, **SB 862** by Senator Kelli Stargel (R-Lakeland) was heard before the Senate Judiciary Committee and was reported favorably with 5 yeas and 1 nay. **AIF's Senior Vice President of State and Federal Affairs, Brewster Bevis, stood in support of this legislation.**

Florida's Dangerous Instrumentality Doctrine (DID) was created in the early 20th century, a time where automobiles began traveling on public roads. The doctrine has been expanded far beyond the borders of its original intent and now applies to off-highway vehicles such as golf carts, tractors, and construction equipment. The doctrine holds owners or lessors liable for the harm caused by an operator, even when the lessor is not in control of the equipment or vehicle at the time of the incident. Florida is the only state in the country where DID is applied in this manner.

This bill provides that lessors of special mobile equipment are not liable for the acts of the lessee or lessee's agent or employee if the lease agreement requires the lessee to maintain insurance with limits of at least \$100,000/\$300,000 for bodily injury liability and \$50,000 for property damage liability, or at least \$500,000 for combined property damage liability and bodily injury liability. Special mobile equipment are vehicles not designed or used primarily to transport persons or property and that are only incidentally operated or moved over a highway. Examples include ditch digging apparatus, well-boring apparatus, road construction and maintenance machinery, drag-lines, self-propelled cranes, and earthmoving equipment.

SB 862 will now move to the Senate Rules Committee.

**AIF supports the protection of owners and lessors from vicarious liability which is harmful to Florida's business community.**