



Florida Insurance Council

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2020 Life Insurance Bills: Post-Session Summary

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Following is the Florida Insurance Council's 2020 Post Session Bill Summary Report for bills relating to life insurance that were filed for the 2020 Legislative Session. The Report is organized by topic.

The Report is prepared by FIC General Counsel Katrina Callaway based on her review of the bill. Any changes to the summary should be sent to Katrina at kcallaway@flains.org.

Life Insurance – Passed Bills

Genetic Testing (HB 1189, SB 1564): Prohibits life and long-term care insurers from cancelling, limiting, or denying coverage or setting different rates for coverage based on an applicant's genetic information. But, the bill allows these insurers to use genetic information if it is a medical diagnosis in a medical record and allows them to access an applicant's medical records as part of the application examination.

Vulnerable Investors (HB 813, SB 1672): Allows a dealer or investment adviser to delay a disbursement or transaction of funds or securities from the account of a specified adult or an account for which a specified adult is a beneficiary or beneficial owner if the dealer or investment adviser reasonably believes that financial exploitation of the specified adult has occurred, is occurring, has been attempted, or will be attempted in connection with the disbursement or transaction. A specified adult is an individual who is age 65 or older or who meets the definition of "vulnerable adult" under Florida's Adult Protective Services Act.

The suspected financial exploitation must be immediately reported to the Florida Abuse Hotline if required by the Adult Protective Services Act. Not later than three business days after placing a delay, the dealer or investment adviser must notify all parties authorized to transact business on the account as well as any designated trusted contact, unless such person is believed to be engaged in the suspected financial exploitation.

Not later than three business days after placing or extending a delay, the dealer or investment adviser must notify the Office of Financial Regulation (OFR) of the delay or extension. An amendment adopted on February 6th specified information that must be contained on the notification to OFR and required the notification be provided to OFR on a form adopted by rule.

A delay expires in 15 business days but may be terminated sooner. The dealer or investment adviser may extend the delay for up to an additional 10 business days. The length of the hold may be shortened or extended by a court of competent jurisdiction.

A dealer, an investment adviser, or an associated person who in good faith and exercising reasonable care complies with the bill is immune from any administrative or civil liability that might otherwise arise from a delay in a disbursement or transaction.

The bill requires a dealer or investment adviser to annually conduct training that is reasonably designed to educate associated persons on issues pertaining to financial exploitation and maintain a record of the training.

Use Of Life Insurance To Pay Tax Liability Of Trusts (HB 1089, SB 1366): Allows an independent trustee of any grantor trust to reimburse the grantor for all or part of the income taxes paid by the grantor as a result of the trust's income. Prohibits life insurance, cash value of a life insurance policy, or a loan secured by the policy from being used to reimburse the grantor's tax liability.

Life Insurance – Failed Bills

Credit For Reinsurance (HB 1211, SB 1376): Enacts the 2019 changes to the NAIC Credit For Reinsurance Model Law and Model Regulation.

Industrial Life Insurance (HB 1137, SB 1492): Ends the legal sale of industrial life insurance.

Unclaimed Property (HB 1137, SB 1492): Enacts a Florida Uniform Unclaimed Property Recovery Agreement or Purchase Agreement for use in unclaimed property claims and specifies the content of the Agreements. The Agreements will replace the power of attorney form required when unclaimed property is requested by attorneys, CPAs, or private investigators working for owners of the property. Caps fees at 20% of the claimed amount for unclaimed property obtained by persons representing the owner.

Use Of Cash Surrender Value For Medicaid Eligibility (SB 1544): Prohibits the cash surrender value of life insurance to be considered an asset in determining whether a person is eligible for Medicaid if the person assigns the face value of the policy to the state for an amount no more than the amount of Medicaid benefits to be provided.

OPPAGA Study – Use of Cash Surrender Value For Medicaid Eligibility (HB 1373): Requires OPPAGA to study and report on specified issues relating to Medicaid eligibility criteria for nursing facilities, specifically the feasibility of requiring Medicaid eligible persons with a whole or universal life policy to sign a priority collateral lien agreement with Medicaid.

Death With Dignity (SB 1800): Prohibits a life or annuity policy from being conditioned on or affected by a person who requests medication to cause their death. Prohibits the rate charged for a life or annuity policy from being different for a person who requests medication to cause their death. Prohibits the act of ingesting medicine to cause death from affecting a life or annuity policy.