



## INFORMATIONAL MEMORANDUM

OIR-07-15M

ISSUED

October 15, 2007

Florida Office of Insurance Regulation

Kevin M. McCarty, Commissioner

### **To all Property & Casualty Insurers in the State of Florida**

#### **Policyholder Loss or Expense-Related Premium Discounts Limited to Insurer Group and Unfair Trade Practices-Collateral Business Activities**

The purpose of this Memorandum is to remind all Property & Casualty insurers that Senate Bill 2498 amended [Section 627.0655, Florida Statutes](#) effective June 11, 2007. The statute authorizes loss or expense-related premium discounts that are applied because of the purchase of another policy, contract, or certificate of any type by the insured, only if the other policy, contract or certificate is purchased from the same insurer or insurer group. Auto discounts applied for the purchase of a homeowners' policy from any unaffiliated insurer outside of the group are not permitted. Insurers should discontinue the use of any previously filed discounts that conflict with the new law.

Insurers should also be aware that the refusal to issue or renew a policy based upon whether the policyholder has or had another policy with the insurer or insurer group may violate the Unfair Insurance Trade Practices Act, [Section 626.9541\(1\)\(h\)1.b and \(x\)3, Florida Statutes](#). The Office of Insurance Regulation is currently reviewing all such occurrences for administrative action.

If you have any questions regarding the contents of this Memorandum, please contact Michael Milnes, Deputy Director - Property & Casualty Product Review, Florida Office of Insurance Regulation at [Michael.Milnes@fldfs.com](mailto:Michael.Milnes@fldfs.com) or (850) 413-5306.