

An Outline of Florida PIP Reform

HB 119 Amended and Passed by the
Legislature

Reforms Fighting Fraud

- Almost all clinics will require licenses
- Definition of fraudulent insurance act expanded to include submitting a claim knowing that the license of a clinic was obtained based on false, misleading, or fraudulent documents.
- “Automobile Insurance Fraud Strike Force” may get contributions from insurers that are business expenses.

Reforms Fighting Fraud (cont.)

- Insurer with reasonable belief that fraud is involved may so notify claimant and then has a total of 90 days from submission of claim to deny or pay claim, with simple interest
- Claims denied for suspected fraudulent acts must be referred to Division of Insurance Fraud
- Attorney fees in disputed PIP cases may not include contingency risk multipliers

Changes to PIP Benefits

- Death benefit to be additional \$5,000
- Medical benefits reimbursable only if individual receives initial services and care within 14 days after the accident
- Follow-up services and care only reimbursable if there is referral by a permissible provider of initial services consistent with the initial medical diagnosis.
- Physicians assistants and advanced registered nurse practitioners may provide follow-up under the supervision of physician
- Physical therapists may provide follow-up based on referral by permissible provider of follow-up services

Changes to PIP Benefits (cont.)

- Policy limit (\$10,000) is only available if physician determined injured person had emergency medical condition
- If physician determines injured did not have emergency condition, only \$2,500 is available
- No massage or acupuncture is reimbursable
- Insured refusing to submit or failing to appear for 2 mental or physical exams requested by insurer is rebuttably presumed unreasonable.

Regulatory Requirements

- July 1, 2012 – insurer may limit payment to statutory schedules only if the policy includes notice at time of issuance or renewal that insurer may do so.
- Insurer requesting examination under oath without reasonable basis as general business practice commits unfair insurance trade practice
- Independent consultant must be engaged and report produced by September 15, 2012 concerning savings expected as a result of the bill

Regulatory Requirements (cont.)

- Insurers writing private passenger PIP must make a rate filing by October 1, 2012, requesting rates 10% below current PIP rates or have a detailed explanation of the reasons for failure to achieve a 10% reduction.
- Same as above but with 25% reduction filed by January 1, 2014
- OIR must perform comprehensive PIP data call and publish results by January 1, 2015.
 - Purpose: help evaluate market conditions relating to No-Fault Law and impact of market reforms in bill