

690-167.004 Required Preinsurance Inspection of Private Passenger Motor Vehicles.

(1) Private passenger motor vehicle insurers providing physical damage coverage, including collision or comprehensive coverage, shall comply with Section 627.744, Florida Statutes, regarding preinsurance inspection requirements. Certain preinsurance inspections are excluded as prescribed by Sections 627.744(2)(a)-(h), Florida Statutes.

(a) A preinsurance inspection is not required if:

1. The agent/producer or insurer is transferring a book of business from one insurer to another insurer(s);
2. Such transfer was not initiated or within the control of the insured; and
3. The transfer of the block of business is documented in each policyholder's record.

(b)1. A reinspection is not required when an individual insured's coverage is being transferred by an independent insurance agent to a new insurer and the agent provides the new insurer with a copy of the inspection report completed on behalf of the previous insurer, provided:

- a. The independent agent represents both insurers, and
- b. The insured vehicle was physically inspected by the previous insurer.

2. If the new insurer does not receive a copy of the inspection report sixty (60) days prior to the first annual renewal date, the insurer shall, upon renewal of the physical damage insurance, require an inspection as set forth in this rule.

(c) If a vehicle which has been previously inspected by an insurer transfers to another insurer under common ownership with the original insurer, a reinspection of the vehicle will not be required. The preinsurance inspection form, or an electronically or photographically reproduced copy, shall be transferred to the new insurer and retained with its policyholder records as provided in subsection (7) below.

(d) Except as to an insurer whose files and established office procedures indicate compliance with Section 627.744, Florida Statutes, and the provisions of this rule, an insurer shall indicate in the policyholder's file the reason a vehicle is being exempted from the preinsurance inspection requirements of this rule. This paragraph shall apply only to motor vehicle policies issued on a private passenger motor vehicle garaged in the counties listed in paragraph (1)(e).

(e) The preinsurance inspection requirement applies to a motor vehicle policy issued on a private passenger motor vehicle principally garaged in Duval, Palm Beach, Broward, Dade, Orange, Hillsborough, and Pinellas counties.

(f) A reinspection is not required when a family member transfers title to another family member and the agent or insurer provides the transferee's insurer with a copy of the inspection report completed on behalf of the transferor's insurer. However, if the transferee's insurer does not receive a copy of the inspection report sixty (60) days prior to the first annual renewal date, the insurer shall, upon renewal of the physical damage insurance, require an inspection as set forth in this rule. If an initial inspection was not performed, then such inspection is required if not otherwise exempt.

(2) "Private passenger motor vehicle" shall be defined as one which is:

- (a) Owned or registered by a natural person, or one or more related individuals resident of the same household; and
- (b) A four-wheel motor vehicle which:
 1. Is licensed for use on public roads;
 2. Has a load capacity of 1,500 pounds or less;
 3. Is not used as a public or livery conveyance for passengers; and
 4. Is not rented to others.

(3)(a) "Private passenger motor vehicle insurance policy" is one that insures private passenger motor vehicles as defined in paragraphs (2)(a) and (b) above.

(b) For the purposes of this rule, a private passenger motor vehicle insurance policy shall not include vendors single interest nor commercial auto fleet policies covering five (5) or more vehicles.

(4) Suspension of insurance coverage applies only to the physical damage coverage and is defined as a discontinuance of physical damage coverage immediately following the seventh calendar day if inspection has not been completed and until the physical damage coverage is reinstated by completion of the inspection. During the period of suspension there is no physical damage coverage.

(5) The inspection shall be performed at no cost or charge to the applicant.

(6) The inspection shall be recorded on Form OIR-B1-507. An insurer may, however, use its own form(s) and any additional information deemed necessary by the insurer as long as the form(s) used by each insurer has substantially the same information as that contained in Form OIR-B1-507. The insurer may also attach photographs of the inspected vehicle evidencing whether there is

pre-existing damage to the vehicle.

(7) The preinsurance inspection form, or an electronically or photographically reproduced copy, shall be retained by the insurer with the insured's policy records at the insurer's home office, regional office, or district office for a period of three (3) years. When the insurer is a surplus lines company, these records shall be kept in the Florida office of the surplus lines agent for that insurer. The original signed preinsurance inspection form shall be maintained by the insurer/surplus lines agent and shall be made available to the Office upon request. A copy of the inspection form, without any optional accompanying photographs, shall be made available to the insured upon request.

(8) The preinsurance inspection form, or an electronically or photographically reproduced copy, shall be completed by a person or organization authorized by the insurer other than the applicant or insured. Such person or organization may be an employee of the insurer, the agent/producer or employee thereof, or an inspection service, including employees thereof. The competency and trustworthiness of the person or organization authorized by the insurer to conduct preinspections shall be the responsibility of the insurer.

(9) In addition to the inspection form, the preinsurance inspection shall include at least paragraph (a), (b), or (c) as follows, which will be for the purpose of positively identifying the vehicle to be insured:

(a) The taking of a physical imprint of the vehicle identification number (VIN) of the motor vehicle by a representative of the insurer other than the applicant or insured. A physical imprint is defined as a tracing or a mold of the actual VIN label (normally located on the dash of the motor vehicle and seen through the windshield from the outside looking into the vehicle).

(b) The taking of a close-up photograph of the VIN label (where the VIN label is usually located on the dash of the vehicle) or the photographing of the Environmental Protection Agency/Federal Certification (EPA) sticker (usually found on the operator's side door jamb). Such close-up photograph shall be taken by a representative of the insurer other than the applicant or insured. The photograph shall be of a sufficient clarity and quality that the information contained on the dash VIN label or the EPA sticker, including the VIN, is legible and easily readable. The VIN recorded on the preinsurance inspection form shall be obtained from a location on the vehicle other than the location being photographed.

(c) The attesting to the authenticity of the VIN by both the insured and the insurer's representative, who shall not be the insured. If this option is selected, each inspector shall individually observe the VIN (usually imprinted on a label on the dash) of the vehicle and record same on Form OIR-B1-507, or a form which contains substantially the information on Form OIR-B1-507. Each inspector shall also individually observe and attest to the VIN as displayed on the EPA sticker (usually affixed to the operator side door jamb), and the VIN as recorded on the vehicle registration form. Such attestation shall be accomplished by signing the statement appearing on the space provided on the vehicle inspection form. If discrepancies are noted, such as a missing VIN, a defaced VIN, or an inconsistency in the VINs, such discrepancies shall be noted on the motor vehicle preinsurance inspection form.

(10) An insurer may defer an inspection for seven (7) calendar days following the effective date of coverage for a new policy or the actual notice to the insurer or its agent of additional or replacement vehicle(s) to an existing policy, if an inspection at the time of the request for coverage would create a serious inconvenience for the applicant. The insurance file shall contain information necessary to identify those circumstances resulting in serious inconvenience.

(a) The applicant shall be notified of the requirement for the inspection by Form OIR-B1-505 or Form OIR-B1-508 or a form which contains substantially the information in Form OIR-B1-505 or Form OIR-B1-508. Failure to obtain the inspection within the time period shall result in suspension of physical damage insurance coverage immediately following the time period, which consequences shall be disclosed at the time of application, or by mail posted no later than the next business day in the case of a telephonic binder, to the applicant on Form OIR-B1-506, or a form which contains substantially the information on Form OIR-B1-506. Such suspension shall continue until the inspection is effected.

(b) Suspension of coverage shall apply to all insureds, owners, and lienholders. However, where the lienholder is a federal or state financial institution this rule shall not limit the payment of claims in any manner.

(c)1. Failure of the insurer or agent to give the insured notice as required in this rule shall not result in a suspension of coverage for the insured. The failure of the insurer to act promptly does not relieve it of its obligation to inspect.

2. After a suspension of coverage, the physical damage coverage is not restored by virtue of an insurer or agent's failure(s) to comply with this rule.

(d) A reinstatement of physical damage coverage shall only be effective upon inspection and if due, payment by the insured to the insurer of the adjusted premium for the physical damage coverage in full or in accordance with the insurer's normal payment plan, at the insurer's option.

(e) Whenever physical damage coverage is suspended for more than fourteen (14) days, the insurer shall make a pro rata premium adjustment (return premium or credit) which shall be mailed to the insured no later than 45 days after the effective date of the suspension. However, when lienholder protection continues, as referenced in paragraph (b) above, no premium adjustment shall be due.

(f) Whenever physical damage coverage is suspended, the insurer shall mail to the insured, the producer of record, and any lienholder other than a state or federal financial institution, a Notice of Suspension of Insurance Coverage, Form OIR-B1-506, or a form which contains substantially the information in Form OIR-B1-506, no later than the 30th calendar day after the effective date of the suspension.

(g) The insurer shall obtain a certificate of mailing or other evidence of mailing the Notice of Suspension to the insured, the producer/agent of record, and any lienholder other than as described in paragraph (b) above, and shall retain the certificate or other evidence of mailing and copy of the Notice for a period of three (3) years.

(11)(a) In addition to the notice requirements as set forth in subsection (10), the insurer or agent/producer shall furnish the applicant, at the time coverage is effected, with an up-to-date list of inspection sites where the inspection can be conducted, provided that inspection service is not available at the originating agent's place of business.

(b) The list shall include the names, addresses, and business phone numbers of persons or organizations authorized by the insurer that are reasonably convenient to the insurer.

(c) In the case of telephonic binders, the location of reasonably convenient inspection sites may be provided by telephone, provided documentation of verbal notice is contained in the applicant's policy record.

(d) The consequences of the applicant's failure to obtain a timely inspection shall be furnished promptly to the applicant by providing Form OIR-B1-506, or a form which contains substantially the information in Form OIR-B1-506. Documentation of such notice, including the name of the person giving the notice and the identity of the site(s) provided, shall be contained in the applicant's policy record.

(e) The insurer shall make a list of all persons or organizations authorized by the insurer available to the Office upon request.

(12) Inspections required or permitted pursuant to this regulation shall be made by a person or organization authorized by the insurer at a time and place reasonably convenient to the applicant and should not subject the insured/applicant to an unreasonable delay.

(13) Any preinsurance inspection forms issued by the insurer to the applicant for presentation to a person or organization authorized by the insurer shall not contain the Vehicle Identification Number (VIN) of the vehicle to be inspected.

(14) Any decision to defer or not to defer an inspection pursuant to this regulation shall not be based on the age, race, sex, or marital status of the applicant or the customary operators of the vehicle, the principal place of garaging, or the fact that a policy has been placed in the FJUA.

(15) The insurer or the insured's authorized representative who performs the inspection shall maintain a control system or office procedures reasonably designed to prevent the use of forms to fraudulently indicate the performance of inspections which have not in fact occurred, which may include the use of sequentially numbered reports.

(16)(a) The inspection report, or the relevant data therefrom, shall be reviewed by the insurer to compare previous damage, prior condition, options, and mileage of the motor vehicle on physical damage claims which occur within three (3) years of the issuance of the policy whenever:

1. The appraisal indicates prior damage;
2. The vehicle is a total loss or unrecovered theft; or
3. The damage exceeds \$2,000 for all claims.

(b) A copy, which may be an electronically or photographically reproduced copy, of the inspection report, or the relevant data therefrom, shall be utilized in the settlement of all claims referenced in paragraph (16)(a) above.

(17) A person or organization authorized by the insurer shall not be deemed trustworthy if there exists any conflict of interest which may prevent him or her from conducting a thorough and accurate inspection. It shall be a conflict of interest for a person or organization authorized by the insurer to accept, in connection with an inspection, anything of value from any source other than the insurer.

(18) When a private passenger automobile insured for physical damage coverage has been in an accident or otherwise damaged, an insurer may require that the vehicle be made available for inspection prior to continuing physical damage coverage.

(19) Forms OIR-B1-505, "Notice of Mandatory Pre-insurance Inspection Requirement" (7/91), OIR-B1-506, "Notice of

Suspended Insurance Coverage” (7/91), OIR-B1-507, “Florida Motor Vehicle Preinsurance Inspection Form” (10/90), and OIR-B1-508, “Acknowledgement of Preinsurance Inspection” (7/91), are adopted and incorporated by reference and shall become effective upon adoption of this rule.

(20) Form OIR-B1-505, Form OIR-B1-506, Form OIR-B1-507, and Form OIR-B1-508 may be obtained by writing the Bureau of Property and Casualty Forms and Market Conduct Review, Division of Insurer Services, 200 East Gaines Street, Tallahassee, Florida 32399-0300.

Specific Authority 624.308(1), 627.744(5) FS. Law Implemented 624.307(1), 627.744 FS. History—New 1-23-91, Formerly 4-28.006, Amended 4-28-92, Formerly 4-167.004.