

1 A bill to be entitled
2 An act relating to insurance; amending s. 215.555,
3 F.S.; revising the date of the future repeal of an
4 exemption of medical malpractice insurance premiums
5 from emergency assessments imposed to fund certain
6 obligations, costs, and expenses of the Florida
7 Hurricane Catastrophe Fund and the Florida Hurricane
8 Catastrophe Fund Finance Corporation; amending s.
9 316.646, F.S.; authorizing a uniform motor vehicle
10 proof-of-insurance card to be in an electronic format;
11 providing construction with respect to the parameters
12 of a person's consent to access information on an
13 electronic device presented to provide proof of
14 insurance; providing immunity from liability to a law
15 enforcement officer for damage to an electronic device
16 presented to provide proof of insurance; authorizing
17 the Department of Highway Safety and Motor Vehicles to
18 adopt rules; amending s. 320.02, F.S.; authorizing
19 insurers to furnish uniform proof-of-purchase cards in
20 an electronic format for use by insureds to prove the
21 purchase of required insurance coverage when
22 registering a motor vehicle; amending s. 554.1021,
23 F.S.; defining the term "authorized inspection
24 agency"; amending s. 554.107, F.S.; requiring the
25 chief inspector of the state boiler inspection program
26 to issue a certificate of competency as a special
27 inspector to certain individuals; specifying how long
28 such certificate remains in effect; amending s.

29 | 554.109, F.S.; authorizing specified insurers to
30 | contract with an authorized inspection agency for
31 | boiler inspections; requiring such insurers to
32 | annually report the identity of contracted authorized
33 | inspection agencies to the Department of Financial
34 | Services; amending s. 624.413, F.S.; revising a
35 | specified time period applicable to a certified
36 | examination that must be filed by a foreign or alien
37 | insurer applying for a certificate of authority;
38 | amending s. 626.0428, F.S.; requiring a branch place
39 | of business to have an agent in charge; authorizing an
40 | agent to be in charge of more than one branch office
41 | under certain circumstances; providing requirements
42 | relating to the designation of an agent in charge;
43 | providing that the agent in charge is accountable for
44 | misconduct and violations committed by the licensee
45 | and any person under his or her supervision;
46 | prohibiting an insurance agency from conducting
47 | insurance business at a location without a designated
48 | agent in charge; providing for expiration of an agency
49 | license under specified circumstances; amending s.
50 | 626.112, F.S.; providing licensure exemptions that
51 | allow specified individuals or entities to conduct
52 | insurance business at specified locations under
53 | certain circumstances; revising licensure requirements
54 | and penalties with respect to registered insurance
55 | agencies; providing that the registration of an
56 | approved registered insurance agency automatically

57 | converts to an insurance agency license on a specified
58 | date; amending s. 626.172, F.S.; revising requirements
59 | relating to applications for insurance agency
60 | licenses; conforming provisions to changes made by the
61 | act; amending s. 626.321, F.S.; providing that a
62 | limited license to offer motor vehicle rental
63 | insurance issued to a business that rents or leases
64 | motor vehicles encompasses the employees of such
65 | business; amending s. 626.382, F.S.; providing that an
66 | insurance agency license continues in force until
67 | canceled, suspended, revoked, or terminated; amending
68 | s. 626.601, F.S.; revising terminology relating to
69 | investigations conducted by the Department of
70 | Financial Services and the Office of Insurance
71 | Regulation with respect to individuals and entities
72 | involved in the insurance industry; repealing s.
73 | 626.747, F.S., relating to branch agencies, agents in
74 | charge, and the payment of additional county tax under
75 | certain circumstances; amending s. 626.8411, F.S.;
76 | conforming a cross-reference; amending s. 626.8805,
77 | F.S.; revising insurance administrator application
78 | requirements; amending s. 626.8817, F.S.; authorizing
79 | an insurer's designee to provide certain coverage
80 | information to an insurance administrator; authorizing
81 | an insurer to subcontract the audit of an insurance
82 | administrator; amending s. 626.882, F.S.; prohibiting
83 | a person from acting as an insurance administrator
84 | without a specific written agreement; amending s.

85 | 626.883, F.S.; requiring insurance administrators to
86 | furnish fiduciary account records to an insurer's
87 | designee; requiring administrator withdrawals from a
88 | fiduciary account to be made according to specific
89 | written agreements; providing that an insurer's
90 | designee may authorize payment of claims; amending s.
91 | 626.884, F.S.; revising an insurer's right of access
92 | to certain administrator records; amending s. 626.89,
93 | F.S.; revising the deadline for filing certain
94 | financial statements; amending s. 626.931, F.S.;
95 | deleting provisions requiring a surplus lines agent to
96 | file a quarterly affidavit with the Florida Surplus
97 | Lines Service Office; amending s. 626.932, F.S.;
98 | revising the due date of surplus lines tax; amending
99 | ss. 626.935 and 626.936, F.S.; conforming provisions
100 | to changes made by the act; amending s. 627.062, F.S.;
101 | requiring the Office of Insurance Regulation to use
102 | certain models or straight averages of certain models
103 | to estimate hurricane losses when determining whether
104 | the rates in a rate filing are excessive, inadequate,
105 | or unfairly discriminatory; amending s. 627.0628,
106 | F.S.; increasing the length of time during which an
107 | insurer must adhere to certain findings made by the
108 | Commission on Hurricane Loss Projection Methodology
109 | with respect to certain methods, principles,
110 | standards, models, or output ranges used in a rate
111 | finding; providing that the requirement to adhere to
112 | such findings does not limit an insurer from using a

113 straight average of results of certain models or
114 output ranges under specified circumstances; amending
115 s. 627.072, F.S.; authorizing retrospective rating
116 plans relating to workers' compensation and employer's
117 liability insurance to allow negotiations between
118 certain employers and insurers with respect to rating
119 factors used to calculate premiums; amending s.
120 627.281, F.S.; conforming a cross-reference; amending
121 s. 627.351, F.S.; requiring Citizens Property
122 Insurance Corporation to submit a biannual report on
123 the number of residential sinkhole policies issued and
124 declined; requiring the corporation to establish a
125 Citizens Sinkhole Repair Program for sinkhole claims;
126 providing program components; specifying the
127 corporation's liability with respect to sinkhole
128 claims; requiring the offering by the corporation of
129 specified deductible amounts for sinkhole loss
130 coverage; repealing s. 627.3519, F.S., relating to an
131 annual report from the Financial Services Commission
132 to the Legislature of aggregate net probable maximum
133 losses, financing options, and potential assessments
134 of the Florida Hurricane Catastrophe Fund and Citizens
135 Property Insurance Corporation; amending s. 627.4133,
136 F.S.; increasing the amount of prior notice required
137 with respect to the nonrenewal, cancellation, or
138 termination of certain insurance policies; deleting
139 certain provisions that require extended periods of
140 prior notice with respect to the nonrenewal,

141 cancellation, or termination of certain insurance
142 policies; prohibiting the cancellation of certain
143 policies that have been in effect for a specified
144 amount of time except under certain circumstances;
145 amending s. 627.4137, F.S.; adding licensed company
146 adjusters to the list of persons who may respond to a
147 claimant's written request for information relating to
148 liability insurance coverage; amending s. 627.421,
149 F.S.; authorizing the electronic delivery of certain
150 insurance documents; amending s. 627.43141, F.S.;
151 authorizing a notice of change in policy terms to be
152 sent in a separate mailing to an insured under certain
153 circumstances; requiring an insurer to provide such
154 notice to insured's insurance agent; amending s.
155 627.6484, F.S.; providing that coverage for each
156 policyholder of the Florida Comprehensive Health
157 Association terminates on a specified date; requiring
158 the association to provide assistance to
159 policyholders; requiring the association to notify
160 policyholders of termination of coverage and provide
161 information concerning how to obtain other coverage;
162 requiring the association to impose a final assessment
163 or provide a refund to member insurers, sell or
164 dispose of physical assets, perform a final
165 accounting, legally dissolve the association, submit a
166 required report, and transfer all records to the
167 Office of Insurance Regulation; repealing s.
168 627.64872, F.S., relating to the Florida Health

169 Insurance Plan; providing for the future repeal of ss.
170 627.648, 627.6482, 627.6484, 627.6486, 627.6488,
171 627.6489, 627.649, 627.6492, 627.6494, 627.6496,
172 627.6498, and 627.6499, F.S., relating to the Florida
173 Comprehensive Health Association Act, definitions,
174 termination of enrollment and availability of other
175 coverage, eligibility, the Florida Comprehensive
176 Health Association, the Disease Management Program,
177 the administrator of the health insurance plan,
178 participation of insurers, insurer assessments,
179 deferment, and assessment limitations, issuing of
180 policies, minimum benefits coverage and exclusions,
181 premiums, and deductibles, and reporting by insurers
182 and third-party administrators, respectively; amending
183 s. 627.7015, F.S.; revising the rulemaking authority
184 of the department with respect to qualifications and
185 specified types of penalties covered under the
186 property insurance mediation program; creating s.
187 627.70151, F.S.; providing criteria for an insurer or
188 policyholder to challenge the impartiality of a loss
189 appraisal umpire for purposes of disqualifying such
190 umpire; amending s. 627.706, F.S.; revising the
191 definition of the term "neutral evaluator"; amending
192 s. 627.7074, F.S.; requiring the department to adopt
193 rules relating to certification of neutral evaluators;
194 amending s. 627.736, F.S.; revising the time period
195 for applicability of certain Medicare fee schedules or
196 payment limitations; amending s. 627.745, F.S.;

197 revising qualifications for approval as a mediator by
198 the department; providing grounds for the department
199 to deny an application, or suspend or revoke approval
200 of a mediator or certification of a neutral evaluator;
201 authorizing the department to adopt rules; amending s.
202 627.841, F.S.; providing that an insurance premium
203 finance company may impose a charge for payments
204 returned, declined, or unable to be processed due to
205 insufficient funds; amending s. 627.952, F.S.;

206 providing that certain persons who are not residents
207 of this state must be licensed and appointed as
208 nonresident surplus lines agents in this state in
209 order to engage in specified activities with respect
210 to servicing insurance contracts, certificates, or
211 agreements for purchasing or risk retention groups;
212 deleting a fidelity bond requirement applicable to
213 certain nonresident agents who are licensed as surplus
214 lines agents in another state; amending ss. 627.971
215 and 627.972, F.S.; including licensed mutual insurers
216 in financial guaranty insurance corporations; amending
217 s. 628.901, F.S.; revising the definition of the term
218 "qualifying reinsurer parent company"; amending s.
219 628.909, F.S.; providing for applicability of certain
220 provisions of the Insurance Code to specified captive
221 insurers; amending s. 634.406, F.S.; revising criteria
222 authorizing premiums of certain service warranty
223 associations to exceed their specified net assets
224 limitations; revising requirements relating to

225 contractual liability policies that insure warranty
 226 associations; providing effective dates.

227

228 Be It Enacted by the Legislature of the State of Florida:

229

230 Section 1. Paragraph (b) of subsection (6) of section
 231 215.555, Florida Statutes, is amended to read:

232 215.555 Florida Hurricane Catastrophe Fund.—

233 (6) REVENUE BONDS.—

234 (b) Emergency assessments—

235 1. If the board determines that the amount of revenue
 236 produced under subsection (5) is insufficient to fund the
 237 obligations, costs, and expenses of the fund and the
 238 corporation, including repayment of revenue bonds and that
 239 portion of the debt service coverage not met by reimbursement
 240 premiums, the board shall direct the Office of Insurance
 241 Regulation to levy, by order, an emergency assessment on direct
 242 premiums for all property and casualty lines of business in this
 243 state, including property and casualty business of surplus lines
 244 insurers regulated under part VIII of chapter 626, but not
 245 including any workers' compensation premiums or medical
 246 malpractice premiums. As used in this subsection, the term
 247 "property and casualty business" includes all lines of business
 248 identified on Form 2, Exhibit of Premiums and Losses, in the
 249 annual statement required of authorized insurers by s. 624.424
 250 and any rule adopted under this section, except for those lines
 251 identified as accident and health insurance and except for
 252 policies written under the National Flood Insurance Program. The

253 assessment shall be specified as a percentage of direct written
254 premium and is subject to annual adjustments by the board in
255 order to meet debt obligations. The same percentage shall apply
256 to all policies in lines of business subject to the assessment
257 issued or renewed during the 12-month period beginning on the
258 effective date of the assessment.

259 2. A premium is not subject to an annual assessment under
260 this paragraph in excess of 6 percent of premium with respect to
261 obligations arising out of losses attributable to any one
262 contract year, and a premium is not subject to an aggregate
263 annual assessment under this paragraph in excess of 10 percent
264 of premium. An annual assessment under this paragraph shall
265 continue as long as the revenue bonds issued with respect to
266 which the assessment was imposed are outstanding, including any
267 bonds the proceeds of which were used to refund the revenue
268 bonds, unless adequate provision has been made for the payment
269 of the bonds under the documents authorizing issuance of the
270 bonds.

271 3. Emergency assessments shall be collected from
272 policyholders. Emergency assessments shall be remitted by
273 insurers as a percentage of direct written premium for the
274 preceding calendar quarter as specified in the order from the
275 Office of Insurance Regulation. The office shall verify the
276 accurate and timely collection and remittance of emergency
277 assessments and shall report the information to the board in a
278 form and at a time specified by the board. Each insurer
279 collecting assessments shall provide the information with
280 respect to premiums and collections as may be required by the

281 office to enable the office to monitor and verify compliance
282 with this paragraph.

283 4. With respect to assessments of surplus lines premiums,
284 each surplus lines agent shall collect the assessment at the
285 same time as the agent collects the surplus lines tax required
286 by s. 626.932, and the surplus lines agent shall remit the
287 assessment to the Florida Surplus Lines Service Office created
288 by s. 626.921 at the same time as the agent remits the surplus
289 lines tax to the Florida Surplus Lines Service Office. The
290 emergency assessment on each insured procuring coverage and
291 filing under s. 626.938 shall be remitted by the insured to the
292 Florida Surplus Lines Service Office at the time the insured
293 pays the surplus lines tax to the Florida Surplus Lines Service
294 Office. The Florida Surplus Lines Service Office shall remit the
295 collected assessments to the fund or corporation as provided in
296 the order levied by the Office of Insurance Regulation. The
297 Florida Surplus Lines Service Office shall verify the proper
298 application of such emergency assessments and shall assist the
299 board in ensuring the accurate and timely collection and
300 remittance of assessments as required by the board. The Florida
301 Surplus Lines Service Office shall annually calculate the
302 aggregate written premium on property and casualty business,
303 other than workers' compensation and medical malpractice,
304 procured through surplus lines agents and insureds procuring
305 coverage and filing under s. 626.938 and shall report the
306 information to the board in a form and at a time specified by
307 the board.

308 5. Any assessment authority not used for a particular

309 contract year may be used for a subsequent contract year. If,
310 for a subsequent contract year, the board determines that the
311 amount of revenue produced under subsection (5) is insufficient
312 to fund the obligations, costs, and expenses of the fund and the
313 corporation, including repayment of revenue bonds and that
314 portion of the debt service coverage not met by reimbursement
315 premiums, the board shall direct the Office of Insurance
316 Regulation to levy an emergency assessment up to an amount not
317 exceeding the amount of unused assessment authority from a
318 previous contract year or years, plus an additional 4 percent
319 provided that the assessments in the aggregate do not exceed the
320 limits specified in subparagraph 2.

321 6. The assessments otherwise payable to the corporation
322 under this paragraph shall be paid to the fund unless and until
323 the Office of Insurance Regulation and the Florida Surplus Lines
324 Service Office have received from the corporation and the fund a
325 notice, which shall be conclusive and upon which they may rely
326 without further inquiry, that the corporation has issued bonds
327 and the fund has no agreements in effect with local governments
328 under paragraph (c). On or after the date of the notice and
329 until the date the corporation has no bonds outstanding, the
330 fund shall have no right, title, or interest in or to the
331 assessments, except as provided in the fund's agreement with the
332 corporation.

333 7. Emergency assessments are not premium and are not
334 subject to the premium tax, to the surplus lines tax, to any
335 fees, or to any commissions. An insurer is liable for all
336 assessments that it collects and must treat the failure of an

337 insured to pay an assessment as a failure to pay the premium. An
338 insurer is not liable for uncollectible assessments.

339 8. When an insurer is required to return an unearned
340 premium, it shall also return any collected assessment
341 attributable to the unearned premium. A credit adjustment to the
342 collected assessment may be made by the insurer with regard to
343 future remittances that are payable to the fund or corporation,
344 but the insurer is not entitled to a refund.

345 9. When a surplus lines insured or an insured who has
346 procured coverage and filed under s. 626.938 is entitled to the
347 return of an unearned premium, the Florida Surplus Lines Service
348 Office shall provide a credit or refund to the agent or such
349 insured for the collected assessment attributable to the
350 unearned premium before ~~prior to~~ remitting the emergency
351 assessment collected to the fund or corporation.

352 10. The exemption of medical malpractice insurance
353 premiums from emergency assessments under this paragraph is
354 repealed May 31, 2016 ~~2013~~, and medical malpractice insurance
355 premiums shall be subject to emergency assessments attributable
356 to loss events occurring in the contract years commencing on
357 June 1, 2016 ~~2013~~.

358 Section 2. Subsection (1) of section 316.646, Florida
359 Statutes, is amended, and subsection (5) is added to that
360 section, to read:

361 316.646 Security required; proof of security and display
362 thereof; dismissal of cases.—

363 (1) Any person required by s. 324.022 to maintain property
364 damage liability security, required by s. 324.023 to maintain

365 liability security for bodily injury or death, or required by s.
366 627.733 to maintain personal injury protection security on a
367 motor vehicle shall have in his or her immediate possession at
368 all times while operating such motor vehicle proper proof of
369 maintenance of the required security. Such proof shall be a
370 uniform proof-of-insurance card, in paper or electronic format,
371 in a form prescribed by the department, a valid insurance
372 policy, an insurance policy binder, a certificate of insurance,
373 or such other proof as may be prescribed by the department. If a
374 person presents an electronic device to a law enforcement
375 officer for the purpose of displaying a proof-of-insurance card
376 in an electronic format:

377 (a) The person presenting the device is not deemed to
378 consent to access to any information on the electronic device
379 other than the displayed proof-of-insurance card.

380 (b) The law enforcement officer is not liable for any
381 damage to the electronic device.

382 (5) The department may adopt rules to implement this
383 section.

384 Section 3. Paragraph (a) of subsection (5) of section
385 320.02, Florida Statutes, is amended to read:

386 320.02 Registration required; application for
387 registration; forms.—

388 (5) (a) Proof that personal injury protection benefits have
389 been purchased when required under s. 627.733, that property
390 damage liability coverage has been purchased as required under
391 s. 324.022, that bodily injury or death coverage has been
392 purchased if required under s. 324.023, and that combined bodily

393 liability insurance and property damage liability insurance have
394 been purchased when required under s. 627.7415 shall be provided
395 in the manner prescribed by law by the applicant at the time of
396 application for registration of any motor vehicle that is
397 subject to such requirements. The issuing agent shall refuse to
398 issue registration if such proof of purchase is not provided.
399 Insurers shall furnish uniform proof-of-purchase cards, in paper
400 or electronic format, in a form prescribed by the department and
401 shall include the name of the insured's insurance company, the
402 coverage identification number, and the make, year, and vehicle
403 identification number of the vehicle insured. The card shall
404 contain a statement notifying the applicant of the penalty
405 specified in s. 316.646(4). The card or insurance policy,
406 insurance policy binder, or certificate of insurance or a
407 photocopy of any of these; an affidavit containing the name of
408 the insured's insurance company, the insured's policy number,
409 and the make and year of the vehicle insured; or such other
410 proof as may be prescribed by the department shall constitute
411 sufficient proof of purchase. If an affidavit is provided as
412 proof, it shall be in substantially the following form:
413 Under penalty of perjury, I ... (Name of insured)... do hereby
414 certify that I have ... (Personal Injury Protection, Property
415 Damage Liability, and, when required, Bodily Injury
416 Liability)... Insurance currently in effect with ... (Name of
417 insurance company)... under ... (policy number)... covering
418 ... (make, year, and vehicle identification number of
419 vehicle).... ... (Signature of Insured)...

420 Such affidavit shall include the following warning:

421 WARNING: GIVING FALSE INFORMATION IN ORDER TO OBTAIN A VEHICLE
422 REGISTRATION CERTIFICATE IS A CRIMINAL OFFENSE UNDER FLORIDA
423 LAW. ANYONE GIVING FALSE INFORMATION ON THIS AFFIDAVIT IS
424 SUBJECT TO PROSECUTION.

425 When an application is made through a licensed motor vehicle
426 dealer as required in s. 319.23, the original or a photostatic
427 copy of such card, insurance policy, insurance policy binder, or
428 certificate of insurance or the original affidavit from the
429 insured shall be forwarded by the dealer to the tax collector of
430 the county or the Department of Highway Safety and Motor
431 Vehicles for processing. By executing the aforesaid affidavit,
432 no licensed motor vehicle dealer will be liable in damages for
433 any inadequacy, insufficiency, or falsification of any statement
434 contained therein. A card shall also indicate the existence of
435 any bodily injury liability insurance voluntarily purchased.

436 Section 4. Subsection (8) is added to section 554.1021,
437 Florida Statutes, to read:

438 554.1021 Definitions.—As used in ss. 554.1011-554.115:

439 (8) "Authorized inspection agency" means:

440 (a) Any county, city, town, or other governmental
441 subdivision that has adopted and administers, at a minimum,
442 Section I of the A.S.M.E. Boiler and Pressure Vessel Code as a
443 legal requirement and whose inspectors hold valid certificates
444 of competency in accordance with s. 554.113; or

445 (b) Any insurance company that is licensed or registered
446 by an appropriate authority of any state of the United States or
447 province of Canada and whose inspectors hold valid certificates
448 of competency in accordance with s. 554.113.

449 Section 5. Section 554.107, Florida Statutes, is amended
450 to read:

451 554.107 Special inspectors.—

452 (1) Upon application by any authorized inspection agency
453 ~~company licensed to insure boilers in this state~~, the chief
454 inspector shall issue a certificate of competency as a special
455 inspector to any inspector employed by the authorized inspection
456 agency company, provided that such inspector satisfies the
457 competency requirements for inspectors as provided in s.
458 554.113.

459 (2) The certificate of competency of a special inspector
460 shall remain in effect only so long as the special inspector is
461 employed by an authorized inspection agency ~~a company licensed~~
462 ~~to insure boilers in this state~~. Upon termination of employment
463 with such agency company, a special inspector shall, in writing,
464 notify the chief inspector of such termination. Such notice
465 shall be given within 15 days following the date of termination.

466 Section 6. Subsection (1) of section 554.109, Florida
467 Statutes, is amended to read:

468 554.109 Exemptions.—

469 (1) Any insurance company insuring a boiler located in a
470 public assembly location in this state shall inspect or contract
471 with an authorized inspection agency to inspect such boiler ~~so~~
472 ~~insured~~, and shall annually report to the department the
473 identity of any authorized inspection agency performing any
474 required boiler inspection on behalf of the company. A any
475 county, city, town, or other governmental subdivision that ~~which~~
476 has adopted into law the Boiler and Pressure Vessel Code of the

477 American Society of Mechanical Engineers and the National Board
478 Inspection Code for the construction, installation, inspection,
479 maintenance, and repair of boilers, regulating such boilers in
480 public assembly locations, shall inspect such boilers so
481 regulated; provided that such inspection shall be conducted by a
482 special inspector licensed pursuant to ss. 554.1011-554.115.
483 Upon filing of a report of satisfactory inspection with the
484 department, such boiler is exempt from inspection by the
485 department.

486 Section 7. Paragraph (f) of subsection (1) of section
487 624.413, Florida Statutes, is amended to read:

488 624.413 Application for certificate of authority.—

489 (1) To apply for a certificate of authority, an insurer
490 shall file its application therefor with the office, upon a form
491 adopted by the commission and furnished by the office, showing
492 its name; location of its home office and, if an alien insurer,
493 its principal office in the United States; kinds of insurance to
494 be transacted; state or country of domicile; and such additional
495 information as the commission reasonably requires, together with
496 the following documents:

497 (f) If a foreign or alien insurer, a copy of the report of
498 the most recent examination of the insurer certified by the
499 public official having supervision of insurance in its state of
500 domicile or of entry into the United States. The end of the most
501 recent year covered by the examination must be within the 5-year
502 ~~3-year~~ period preceding the date of application. In lieu of the
503 certified examination report, the office may accept an audited
504 certified public accountant's report prepared on a basis

505 consistent with the insurance laws of the insurer's state of
506 domicile, certified by the public official having supervision of
507 insurance in its state of domicile or of entry into the United
508 States.

509 Section 8. Subsection (4) is added to section 626.0428,
510 Florida Statutes, to read:

511 626.0428 Agency personnel powers, duties, and
512 limitations.—

513 (4) (a) Each place of business established by an agent or
514 agency, firm, corporation, or association shall be in the active
515 full-time charge of a licensed and appointed agent holding the
516 agent licenses required to transact the lines of insurance being
517 handled at the location.

518 (b) Notwithstanding paragraph (a), the licensed agent in
519 charge of an insurance agency may also be the agent in charge of
520 additional branch office locations of the agency if insurance
521 activities requiring licensure as an insurance agent do not
522 occur at any location when the agent is not physically present
523 and unlicensed employees at the location do not engage in any
524 insurance activities requiring licensure as an insurance agent
525 or customer representative.

526 (c) An insurance agency and each branch place of business
527 of an insurance agency shall designate an agent in charge and
528 file the name and license number of the agent in charge and the
529 physical address of the insurance agency location with the
530 department at the department's designated website. The
531 designation of the agent in charge may be changed at the option
532 of the agency, and any change shall be effective upon

533 notification to the department. Notice to the department must be
534 provided within 30 days after such change.

535 (d) For the purposes of this subsection, an "agent in
536 charge" is the licensed and appointed agent who is responsible
537 for the supervision of all individuals within an insurance
538 agency location, regardless of whether such individuals deal
539 with the general public in the solicitation or negotiation of
540 insurance contracts or the collection or accounting of moneys.

541 (e) An agent in charge of an insurance agency shall be
542 accountable for any wrongful act, misconduct, or violation of
543 any provision of this code committed by the licensee or by any
544 person under his or her supervision while acting on behalf of
545 the agency. Nothing in this section shall be construed to render
546 an agent in charge criminally liable for any act unless the
547 agent in charge personally committed the act or knew or should
548 have known of the act and of the facts constituting a violation
549 of this chapter.

550 (f) An insurance agency location may not conduct the
551 business of insurance unless an agent in charge is designated at
552 all times. An agency license expires if an agency fails to
553 designate with the department an agent in charge within 90 days
554 after the date of a change of agent in charge.

555 Section 9. Subsection (7) of section 626.112, Florida
556 Statutes, is amended to read:

557 626.112 License and appointment required; agents, customer
558 representatives, adjusters, insurance agencies, service
559 representatives, managing general agents.—

560 (7) (a) ~~Effective October 1, 2006,~~ No individual, firm,

561 partnership, corporation, association, or any other entity shall
562 act in its own name or under a trade name, directly or
563 indirectly, as an insurance agency, unless it complies with s.
564 626.172 with respect to possessing an insurance agency license
565 for each place of business at which it engages in any activity
566 which may be performed only by a licensed insurance agent.
567 However, an insurance agency that is owned and operated by a
568 single licensed agent conducting business in his or her
569 individual name and not employing or otherwise using the
570 services of or appointing other licensees shall be exempt from
571 the agency licensing requirements of this subsection. A branch
572 place of business that is established by a licensed agency is
573 considered a branch agency and is not required to be licensed so
574 long as it transacts business under the same name and federal
575 tax identification number as the licensed agency and has
576 designated a licensed agent in charge of the location as
577 required by s. 626.0428 and the address and telephone number of
578 the location have been submitted to the department for inclusion
579 in the licensing record of the licensed agency within 30 days
580 after insurance transactions begin at the location ~~Each agency~~
581 ~~engaged in business in this state before January 1, 2003, which~~
582 ~~is wholly owned by insurance agents currently licensed and~~
583 ~~appointed under this chapter, each incorporated agency whose~~
584 ~~voting shares are traded on a securities exchange, each agency~~
585 ~~designated and subject to supervision and inspection as a branch~~
586 ~~office under the rules of the National Association of Securities~~
587 ~~Dealers, and each agency whose primary function is offering~~
588 ~~insurance as a service or member benefit to members of a~~

589 ~~nonprofit corporation may file an application for registration~~
590 ~~in lieu of licensure in accordance with s. 626.172(3). Each~~
591 ~~agency engaged in business before October 1, 2006, shall file an~~
592 ~~application for licensure or registration on or before October~~
593 ~~1, 2006.~~

594 (b)1. If an agency is required to be licensed but fails to
595 file an application for licensure in accordance with this
596 section, the department shall impose on the agency an
597 administrative penalty in an amount of up to \$10,000.

598 ~~2. If an agency is eligible for registration but fails to~~
599 ~~file an application for registration or an application for~~
600 ~~licensure in accordance with this section, the department shall~~
601 ~~impose on the agency an administrative penalty in an amount of~~
602 ~~up to \$5,000.~~

603 (c)(b) Effective October 1, 2013, the department must
604 automatically convert the registration of an approved a
605 registered insurance agency to shall, as a condition precedent
606 to continuing business, obtain an insurance agency license if
607 the department finds that, with respect to any majority owner,
608 partner, manager, director, officer, or other person who manages
609 or controls the agency, any person has:

610 ~~1. Been found guilty of, or has pleaded guilty or nolo~~
611 ~~contendere to, a felony in this state or any other state~~
612 ~~relating to the business of insurance or to an insurance agency,~~
613 ~~without regard to whether a judgment of conviction has been~~
614 ~~entered by the court having jurisdiction of the cases.~~

615 ~~2. Employed any individual in a managerial capacity or in~~
616 ~~a capacity dealing with the public who is under an order of~~

617 ~~revocation or suspension issued by the department. An insurance~~
618 ~~agency may request, on forms prescribed by the department,~~
619 ~~verification of any person's license status. If a request is~~
620 ~~mailed within 5 working days after an employee is hired, and the~~
621 ~~employee's license is currently suspended or revoked, the agency~~
622 ~~shall not be required to obtain a license, if the unlicensed~~
623 ~~person's employment is immediately terminated.~~

624 ~~3. Operated the agency or permitted the agency to be~~
625 ~~operated in violation of s. 626.747.~~

626 ~~4. With such frequency as to have made the operation of~~
627 ~~the agency hazardous to the insurance-buying public or other~~
628 ~~persons:~~

629 ~~a. Solicited or handled controlled business. This~~
630 ~~subparagraph shall not prohibit the licensing of any lending or~~
631 ~~financing institution or creditor, with respect to insurance~~
632 ~~only, under credit life or disability insurance policies of~~
633 ~~borrowers from the institutions, which policies are subject to~~
634 ~~part IX of chapter 627.~~

635 ~~b. Misappropriated, converted, or unlawfully withheld~~
636 ~~moneys belonging to insurers, insureds, beneficiaries, or others~~
637 ~~and received in the conduct of business under the license.~~

638 ~~c. Unlawfully rebated, attempted to unlawfully rebate, or~~
639 ~~unlawfully divided or offered to divide commissions with~~
640 ~~another.~~

641 ~~d. Misrepresented any insurance policy or annuity~~
642 ~~contract, or used deception with regard to any policy or~~
643 ~~contract, done either in person or by any form of dissemination~~
644 ~~of information or advertising.~~

645 ~~e. Violated any provision of this code or any other law~~
 646 ~~applicable to the business of insurance in the course of dealing~~
 647 ~~under the license.~~

648 ~~f. Violated any lawful order or rule of the department.~~

649 ~~g. Failed or refused, upon demand, to pay over to any~~
 650 ~~insurer he or she represents or has represented any money coming~~
 651 ~~into his or her hands belonging to the insurer.~~

652 ~~h. Violated the provision against twisting as defined in~~
 653 ~~s. 626.9541(1)(1).~~

654 ~~i. In the conduct of business, engaged in unfair methods~~
 655 ~~of competition or in unfair or deceptive acts or practices, as~~
 656 ~~prohibited under part IX of this chapter.~~

657 ~~j. Willfully overinsured any property insurance risk.~~

658 ~~k. Engaged in fraudulent or dishonest practices in the~~
 659 ~~conduct of business arising out of activities related to~~
 660 ~~insurance or the insurance agency.~~

661 ~~l. Demonstrated lack of fitness or trustworthiness to~~
 662 ~~engage in the business of insurance arising out of activities~~
 663 ~~related to insurance or the insurance agency.~~

664 ~~m. Authorized or knowingly allowed individuals to transact~~
 665 ~~insurance who were not then licensed as required by this code.~~

666 ~~5. Knowingly employed any person who within the preceding~~
 667 ~~3 years has had his or her relationship with an agency~~
 668 ~~terminated in accordance with paragraph (d).~~

669 ~~6. Willfully circumvented the requirements or prohibitions~~
 670 ~~of this code.~~

671 Section 10. Subsections (2), (3), and (4) of section
 672 626.172, Florida Statutes, are amended to read:

673 626.172 Application for insurance agency license.—

674 (2) An application for an insurance agency license must
 675 ~~shall~~ be signed by the owner or owners of the agency. If the
 676 agency is incorporated, the application must ~~shall~~ be signed by
 677 the president and secretary of the corporation. The application
 678 for an insurance agency license must ~~shall~~ include:

679 (a) The name of each majority owner, partner, officer, and
 680 director of the insurance agency.

681 (b) The residence address of each person required to be
 682 listed in the application under paragraph (a).

683 (c) The name of the insurance agency, ~~and~~ its principal
 684 business street address and a valid e-mail address of the
 685 insurance agency.

686 (d) The physical address ~~location~~ of each branch agency,
 687 including its name, e-mail address, and telephone number and the
 688 date that the branch location began transacting insurance ~~office~~
 689 ~~and the name under which each agency office conducts or will~~
 690 ~~conduct business.~~

691 (e) The name of each agent to be in full-time charge of an
 692 agency office and specification of which office, including
 693 branch locations.

694 (f) The fingerprints of each of the following:

- 695 1. A sole proprietor;
- 696 2. Each partner;
- 697 3. Each owner of an unincorporated agency;
- 698 4. Each owner who directs or participates in the
 699 management or control of an incorporated agency whose shares are
 700 not traded on a securities exchange;

701 5. The president, senior vice presidents, treasurer,
702 secretary, and directors of the agency; and

703 6. Any other person who directs or participates in the
704 management or control of the agency, whether through the
705 ownership of voting securities, by contract, by ownership of any
706 agency bank accounts, or otherwise.

707
708 Fingerprints must be taken by a law enforcement agency or other
709 entity approved by the department and must be accompanied by the
710 fingerprint processing fee specified in s. 624.501. Fingerprints
711 must ~~shall~~ be processed in accordance with s. 624.34. However,
712 fingerprints need not be filed for any individual who is
713 currently licensed and appointed under this chapter. This
714 paragraph does not apply to corporations whose voting shares are
715 traded on a securities exchange.

716 (g) Such additional information as the department requires
717 by rule to ascertain the trustworthiness and competence of
718 persons required to be listed on the application and to
719 ascertain that such persons meet the requirements of this code.
720 However, the department may not require that credit or character
721 reports be submitted for persons required to be listed on the
722 application.

723 (h) ~~Beginning October 1, 2005,~~ The department must ~~shall~~
724 accept the uniform application for nonresident agency licensure.
725 The department may adopt by rule revised versions of the uniform
726 application.

727 ~~(3) The department shall issue a registration as an~~
728 ~~insurance agency to any agency that files a written application~~

729 ~~with the department and qualifies for registration. The~~
730 ~~application for registration shall require the agency to provide~~
731 ~~the same information required for an agency licensed under~~
732 ~~subsection (2), the agent identification number for each owner~~
733 ~~who is a licensed agent, proof that the agency qualifies for~~
734 ~~registration as provided in s. 626.112(7), and any other~~
735 ~~additional information that the department determines is~~
736 ~~necessary in order to demonstrate that the agency qualifies for~~
737 ~~registration. The application must be signed by the owner or~~
738 ~~owners of the agency. If the agency is incorporated, the~~
739 ~~application must be signed by the president and the secretary of~~
740 ~~the corporation. An agent who owns the agency need not file~~
741 ~~fingerprints with the department if the agent obtained a license~~
742 ~~under this chapter and the license is currently valid.~~

743 ~~(a) If an application for registration is denied, the~~
744 ~~agency must file an application for licensure no later than 30~~
745 ~~days after the date of the denial of registration.~~

746 ~~(b) A registered insurance agency must file an application~~
747 ~~for licensure no later than 30 days after the date that any~~
748 ~~person who is not a licensed and appointed agent in this state~~
749 ~~acquires any ownership interest in the agency. If an agency~~
750 ~~fails to file an application for licensure in compliance with~~
751 ~~this paragraph, the department shall impose an administrative~~
752 ~~penalty in an amount of up to \$5,000 on the agency.~~

753 ~~(c) Sections 626.6115 and 626.6215 do not apply to~~
754 ~~agencies registered under this subsection.~~

755 ~~(3)(4) The department must ~~shall~~ issue a license ~~or~~~~
756 ~~registration to each agency upon approval of the application,~~

757 and each agency location must ~~shall~~ display the license ~~or~~
758 ~~registration~~ prominently in a manner that makes it clearly
759 visible to any customer or potential customer who enters the
760 agency.

761 Section 11. Paragraph (d) of subsection (1) of section
762 626.321, Florida Statutes, is amended to read:

763 626.321 Limited licenses.—

764 (1) The department shall issue to a qualified applicant a
765 license as agent authorized to transact a limited class of
766 business in any of the following categories of limited lines
767 insurance:

768 (d) Motor vehicle rental insurance.—

769 1. License covering only insurance of the risks set forth
770 in this paragraph when offered, sold, or solicited with and
771 incidental to the rental or lease of a motor vehicle and which
772 applies only to the motor vehicle that is the subject of the
773 lease or rental agreement and the occupants of the motor
774 vehicle:

775 a. Excess motor vehicle liability insurance providing
776 coverage in excess of the standard liability limits provided by
777 the lessor in the lessor's lease to a person renting or leasing
778 a motor vehicle from the licensee's employer for liability
779 arising in connection with the negligent operation of the leased
780 or rented motor vehicle.

781 b. Insurance covering the liability of the lessee to the
782 lessor for damage to the leased or rented motor vehicle.

783 c. Insurance covering the loss of or damage to baggage,
784 personal effects, or travel documents of a person renting or

785 leasing a motor vehicle.

786 d. Insurance covering accidental personal injury or death
787 of the lessee and any passenger who is riding or driving with
788 the covered lessee in the leased or rented motor vehicle.

789 2. Insurance under a motor vehicle rental insurance
790 license may be issued only if the lease or rental agreement is
791 for no more than 60 days, the lessee is not provided coverage
792 for more than 60 consecutive days per lease period, and the
793 lessee is given written notice that his or her personal
794 insurance policy providing coverage on an owned motor vehicle
795 may provide coverage of such risks and that the purchase of the
796 insurance is not required in connection with the lease or rental
797 of a motor vehicle. If the lease is extended beyond 60 days, the
798 coverage may be extended one time only for a period not to
799 exceed an additional 60 days. Insurance may be provided to the
800 lessee as an additional insured on a policy issued to the
801 licensee's employer.

802 3. The license may be issued only to the full-time
803 salaried employee of a licensed general lines agent or to a
804 business entity that offers motor vehicles for rent or lease if
805 insurance sales activities authorized by the license are in
806 connection with and incidental to the rental or lease of a motor
807 vehicle.

808 a. A license issued to a business entity that offers motor
809 vehicles for rent or lease encompasses each office, branch
810 office, employee, or place of business making use of the
811 entity's business name in order to offer, solicit, and sell
812 insurance pursuant to this paragraph.

813 b. The application for licensure must list the name,
814 address, and phone number for each office, branch office, or
815 place of business that is to be covered by the license. The
816 licensee shall notify the department of the name, address, and
817 phone number of any new location that is to be covered by the
818 license before the new office, branch office, or place of
819 business engages in the sale of insurance pursuant to this
820 paragraph. The licensee must notify the department within 30
821 days after closing or terminating an office, branch office, or
822 place of business. Upon receipt of the notice, the department
823 shall delete the office, branch office, or place of business
824 from the license.

825 c. A licensed and appointed entity is directly responsible
826 and accountable for all acts of the licensee's employees.

827 Section 12. Section 626.382, Florida Statutes, is amended
828 to read:

829 626.382 Continuation, expiration of license; insurance
830 agencies.—The license of any insurance agency ~~shall be issued~~
831 ~~for a period of 3 years and shall continue in force until~~
832 ~~canceled, suspended, revoked, or otherwise terminated. A license~~
833 ~~may be renewed by submitting a renewal request to the department~~
834 ~~on a form adopted by department rule.~~

835 Section 13. Section 626.601, Florida Statutes, is amended
836 to read:

837 626.601 Improper conduct; inquiry; fingerprinting.—

838 (1) The department or office may, upon its own motion or
839 upon a written complaint signed by any interested person and
840 filed with the department or office, inquire into any alleged

841 improper conduct of any licensed, approved, or certified
842 insurance agency, agent, adjuster, service representative,
843 managing general agent, customer representative, title insurance
844 agent, title insurance agency, mediator, neutral evaluator,
845 continuing education course provider, instructor, school
846 official, or monitor group under this code. The department or
847 office may thereafter initiate an investigation of any such
848 individual or entity licensee if it has reasonable cause to
849 believe that the individual or entity licensee has violated any
850 provision of the insurance code. During the course of its
851 investigation, the department or office shall contact the
852 individual or entity licensee being investigated unless it
853 determines that contacting such individual or entity person
854 could jeopardize the successful completion of the investigation
855 or cause injury to the public.

856 (2) In the investigation by the department or office of
857 the alleged misconduct, the individual or entity licensee shall,
858 whenever so required by the department or office, cause the
859 individual's or entity's ~~his or her~~ books and records to be open
860 for inspection for the purpose of such inquiries.

861 (3) The complaints against any individual or entity
862 licensee may be informally alleged and need not be in any such
863 language as is necessary to charge a crime on an indictment or
864 information.

865 (4) The expense for any hearings or investigations under
866 this law, as well as the fees and mileage of witnesses, may be
867 paid out of the appropriate fund.

868 (5) If the department or office, after investigation, has

869 | reason to believe that an individual ~~a licensee~~ may have been
870 | found guilty of or pleaded guilty or nolo contendere to a felony
871 | or a crime related to the business of insurance in this or any
872 | other state or jurisdiction, the department or office may
873 | require the individual licensee to file with the department or
874 | office a complete set of his or her fingerprints, which shall be
875 | accompanied by the fingerprint processing fee set forth in s.
876 | 624.501. The fingerprints shall be taken by an authorized law
877 | enforcement agency or other department-approved entity.

878 | (6) The complaint and any information obtained pursuant to
879 | the investigation by the department or office are confidential
880 | and are exempt from ~~the provisions of~~ s. 119.07, unless the
881 | department or office files a formal administrative complaint,
882 | emergency order, or consent order against the individual or
883 | entity licensee. ~~Nothing in~~ This subsection does not shall be
884 | ~~construed to~~ prevent the department or office from disclosing
885 | the complaint or such information as it deems necessary to
886 | conduct the investigation, to update the complainant as to the
887 | status and outcome of the complaint, or to share such
888 | information with any law enforcement agency.

889 | Section 14. Section 626.747, Florida Statutes, is
890 | repealed.

891 | Section 15. Paragraph (b) of subsection (1) of section
892 | 626.8411, Florida Statutes, is amended to read:

893 | 626.8411 Application of Florida Insurance Code provisions
894 | to title insurance agents or agencies.—

895 | (1) The following provisions of part II applicable to
896 | general lines agents or agencies also apply to title insurance

897 agents or agencies:

898 (b) Section 626.0428(4)(a) and (b) ~~626.747~~, relating to
 899 branch agencies.

900 Section 16. Paragraph (c) of subsection (2) and subsection
 901 (3) of section 626.8805, Florida Statutes, are amended to read:

902 626.8805 Certificate of authority to act as
 903 administrator.—

904 (2) The administrator shall file with the office an
 905 application for a certificate of authority upon a form to be
 906 adopted by the commission and furnished by the office, which
 907 application shall include or have attached the following
 908 information and documents:

909 (c) The names, addresses, official positions, and
 910 professional qualifications of the individuals who are employed
 911 or retained by the administrator and who are responsible for the
 912 conduct of the affairs of the administrator, including all
 913 members of the board of directors, board of trustees, executive
 914 committee, or other governing board or committee, and the
 915 principal officers in the case of a corporation or, the partners
 916 or members in the case of a partnership or association, ~~and any~~
 917 ~~other person who exercises control or influence over the affairs~~
 918 of the administrator.

919 (3) The applicant shall make available for inspection by
 920 the office copies of all contracts relating to services provided
 921 by the administrator to ~~with~~ insurers or other persons utilizing
 922 the services of the administrator.

923 Section 17. Subsections (1) and (3) of section 626.8817,
 924 Florida Statutes, are amended to read:

925 626.8817 Responsibilities of insurance company with
 926 respect to administration of coverage insured.—

927 (1) If an insurer uses the services of an administrator,
 928 the insurer is responsible for determining the benefits, premium
 929 rates, underwriting criteria, and claims payment procedures
 930 applicable to the coverage and for securing reinsurance, if any.
 931 The rules pertaining to these matters shall be provided~~7~~ in
 932 writing~~7~~ by the insurer or its designee to the administrator.
 933 The responsibilities of the administrator as to any of these
 934 matters shall be set forth in a the written agreement binding
 935 upon ~~between~~ the administrator and the insurer.

936 (3) In cases in which an administrator administers
 937 benefits for more than 100 certificateholders on behalf of an
 938 insurer, the insurer shall, at least semiannually, conduct a
 939 review of the operations of the administrator. At least one such
 940 review must be an onsite audit of the operations of the
 941 administrator. The insurer may contract with a qualified third
 942 party to conduct such examination.

943 Section 18. Subsections (1) and (4) of section 626.882,
 944 Florida Statutes, are amended to read:

945 626.882 Agreement between administrator and insurer;
 946 required provisions; maintenance of records.—

947 (1) A ~~No~~ person may not act as an administrator without a
 948 written agreement, as required under s. 626.8817, that specifies
 949 the rights, duties, and obligations of the ~~between such person~~
 950 ~~as~~ administrator and ~~an~~ insurer.

951 (4) If a policy is issued to a trustee or trustees, a copy
 952 of the trust agreement and any amendments to that agreement

953 shall be furnished to the insurer or its designee by the
954 administrator and shall be retained as part of the official
955 records of both the administrator and the insurer for the
956 duration of the policy and for 5 years thereafter.

957 Section 19. Subsections (3), (4), and (5) of section
958 626.883, Florida Statutes, are amended to read:

959 626.883 Administrator as intermediary; collections held in
960 fiduciary capacity; establishment of account; disbursement;
961 payments on behalf of insurer.—

962 (3) If charges or premiums deposited in a fiduciary
963 account have been collected on behalf of or for more than one
964 insurer, the administrator shall keep records clearly recording
965 the deposits in and withdrawals from such account on behalf of
966 or for each insurer. The administrator shall, upon request of an
967 insurer or its designee, furnish such insurer with copies of
968 records pertaining to deposits and withdrawals on behalf of or
969 for such insurer.

970 (4) The administrator may not pay a ~~any~~ claim by
971 withdrawals from a fiduciary account. Withdrawals from such
972 account shall be made as provided in the written agreement
973 required under ss. 626.8817 and 626.882 ~~between the~~
974 ~~administrator and the insurer~~ for any of the following:

975 (a) Remittance to an insurer entitled to such remittance.

976 (b) Deposit in an account maintained in the name of such
977 insurer.

978 (c) Transfer to and deposit in a claims-paying account,
979 with claims to be paid as provided by such insurer.

980 (d) Payment to a group policyholder for remittance to the

981 insurer entitled to such remittance.

982 (e) Payment to the administrator of the commission, fees,
983 or charges of the administrator.

984 (f) Remittance of return premium to the person or persons
985 entitled to such return premium.

986 (5) All claims paid by the administrator from funds
987 collected on behalf of the insurer shall be paid only on drafts
988 of, and as authorized by, such insurer or its designee.

989 Section 20. Subsection (3) of section 626.884, Florida
990 Statutes, is amended to read:

991 626.884 Maintenance of records by administrator; access;
992 confidentiality.—

993 (3) The insurer shall retain the right of continuing
994 access to books and records maintained by the administrator
995 sufficient to permit the insurer to fulfill all of its
996 contractual obligations to insured persons, subject to any
997 restrictions in the written agreement pertaining to ~~between the~~
998 ~~insurer and the administrator~~ on the proprietary rights of the
999 parties in such books and records.

1000 Section 21. Subsections (1) and (2) of section 626.89,
1001 Florida Statutes, are amended to read:

1002 626.89 Annual financial statement and filing fee; notice
1003 of change of ownership.—

1004 (1) Each authorized administrator shall file with the
1005 office a full and true statement of its financial condition,
1006 transactions, and affairs. The statement shall be filed annually
1007 on or before April ~~March~~ 1 or within such extension of time
1008 therefor as the office for good cause may have granted and shall

1009 | be for the preceding calendar year or fiscal year, if the
 1010 | administrator's accounting is on a fiscal-year basis. The
 1011 | statement shall be in such form and contain such matters as the
 1012 | commission prescribes and shall be verified by at least two
 1013 | officers of such administrator. ~~An administrator whose sole~~
 1014 | ~~stockholder is an association representing health care providers~~
 1015 | ~~which is not an affiliate of an insurer, an administrator of a~~
 1016 | ~~pooled governmental self-insurance program, or an administrator~~
 1017 | ~~that is a university may submit the preceding fiscal year's~~
 1018 | ~~statement within 2 months after its fiscal year end.~~

1019 | (2) Each authorized administrator shall also file an
 1020 | audited financial statement performed by an independent
 1021 | certified public accountant. The audited financial statement
 1022 | shall be filed with the office on or before July ~~June~~ 1 for the
 1023 | preceding calendar or fiscal year ending ~~December 31~~. An
 1024 | ~~administrator whose sole stockholder is an association~~
 1025 | ~~representing health care providers which is not an affiliate of~~
 1026 | ~~an insurer, an administrator of a pooled governmental self-~~
 1027 | ~~insurance program, or an administrator that is a university may~~
 1028 | ~~submit the preceding fiscal year's audited financial statement~~
 1029 | ~~within 5 months after the end of its fiscal year.~~ An audited
 1030 | financial statement prepared on a consolidated basis must
 1031 | include a columnar consolidating or combining worksheet that
 1032 | must be filed with the statement and must comply with the
 1033 | following:

1034 | (a) Amounts shown on the consolidated audited financial
 1035 | statement must be shown on the worksheet;

1036 | (b) Amounts for each entity must be stated separately; and

1037 (c) Explanations of consolidating and eliminating entries
1038 must be included.

1039 Section 22. Section 626.931, Florida Statutes, is amended
1040 to read:

1041 626.931 ~~Agent affidavit and Insurer reporting~~
1042 ~~requirements.-~~

1043 ~~(1) Each surplus lines agent shall on or before the 45th~~
1044 ~~day following each calendar quarter file with the Florida~~
1045 ~~Surplus Lines Service Office an affidavit, on forms as~~
1046 ~~prescribed and furnished by the Florida Surplus Lines Service~~
1047 ~~Office, stating that all surplus lines insurance transacted by~~
1048 ~~him or her during such calendar quarter has been submitted to~~
1049 ~~the Florida Surplus Lines Service Office as required.~~

1050 ~~(2) The affidavit of the surplus lines agent shall include~~
1051 ~~efforts made to place coverages with authorized insurers and the~~
1052 ~~results thereof.~~

1053 (1)~~(3)~~ Each foreign insurer accepting premiums shall, on
1054 or before the end of the month following each calendar quarter,
1055 file with the Florida Surplus Lines Service Office a verified
1056 report of all surplus lines insurance transacted by such insurer
1057 for insurance risks located in this state during such calendar
1058 quarter.

1059 (2)~~(4)~~ Each alien insurer accepting premiums shall, on or
1060 before June 30 of each year, file with the Florida Surplus Lines
1061 Service Office a verified report of all surplus lines insurance
1062 transacted by such insurer for insurance risks located in this
1063 state during the preceding calendar year.

1064 (3)~~(5)~~ The department may waive the filing requirements

1065 described in subsections (1) ~~(3)~~ and (2) ~~(4)~~.

1066 (4)~~(6)~~ Each insurer's report and supporting information
 1067 shall be in a computer-readable format as determined by the
 1068 Florida Surplus Lines Service Office or shall be submitted on
 1069 forms prescribed by the Florida Surplus Lines Service Office and
 1070 shall show for each applicable agent:

1071 (a) A listing of all policies, certificates, cover notes,
 1072 or other forms of confirmation of insurance coverage or any
 1073 substitutions thereof or endorsements thereto and the
 1074 identifying number; and

1075 (b) Any additional information required by the department
 1076 or Florida Surplus Lines Service Office.

1077 Section 23. Paragraph (a) of subsection (2) of section
 1078 626.932, Florida Statutes, is amended to read:

1079 626.932 Surplus lines tax.—

1080 (2) (a) The surplus lines agent shall make payable to the
 1081 department the tax related to each calendar quarter's business
 1082 as reported to the Florida Surplus Lines Service Office, and
 1083 remit the tax to the Florida Surplus Lines Service Office on or
 1084 before the 45th day following each calendar quarter ~~at the same~~
 1085 ~~time as provided for the filing of the quarterly affidavit,~~
 1086 ~~under s. 626.931.~~ The Florida Surplus Lines Service Office shall
 1087 forward to the department the taxes and any interest collected
 1088 pursuant to paragraph (b), within 10 days after ~~of~~ receipt.

1089 Section 24. Subsection (1) of section 626.935, Florida
 1090 Statutes, is amended to read:

1091 626.935 Suspension, revocation, or refusal of surplus
 1092 lines agent's license.—

1093 (1) The department shall deny an application for, suspend,
 1094 revoke, or refuse to renew the appointment of a surplus lines
 1095 agent and all other licenses and appointments held by the
 1096 licensee under this code, on any of the following grounds:

1097 (a) Removal of the licensee's office from the licensee's
 1098 state of residence.

1099 (b) Removal of the accounts and records of his or her
 1100 surplus lines business from this state or the licensee's state
 1101 of residence during the period when such accounts and records
 1102 are required to be maintained under s. 626.930.

1103 (c) Closure of the licensee's office for more than 30
 1104 consecutive days.

1105 ~~(d) Failure to make and file his or her affidavit or~~
 1106 ~~reports when due as required by s. 626.931.~~

1107 (d)~~(e)~~ Failure to pay the tax or service fee on surplus
 1108 lines premiums, as provided in the Surplus Lines Law.

1109 (e)~~(f)~~ Suspension, revocation, or refusal to renew or
 1110 continue the license or appointment as a general lines agent,
 1111 service representative, or managing general agent.

1112 (f)~~(g)~~ Lack of qualifications as for an original surplus
 1113 lines agent's license.

1114 (g)~~(h)~~ Violation of this Surplus Lines Law.

1115 (h)~~(i)~~ For any other applicable cause for which the
 1116 license of a general lines agent could be suspended, revoked, or
 1117 refused under s. 626.611 or s. 626.621.

1118 Section 25. Subsection (1) of section 626.936, Florida
 1119 Statutes, is amended to read:

1120 626.936 Failure to file reports or pay tax or service fee;

1121 administrative penalty.—

1122 (1) A ~~Any~~ licensed surplus lines agent who neglects to
 1123 file a report ~~or an affidavit~~ in the form and within the time
 1124 required or provided for in the Surplus Lines Law may be fined
 1125 up to \$50 per day for each day the neglect continues, beginning
 1126 the day after the report ~~or affidavit~~ was due until the date the
 1127 report ~~or affidavit~~ is received. All sums collected under this
 1128 section shall be deposited into the Insurance Regulatory Trust
 1129 Fund.

1130 Section 26. Paragraph (b) of subsection (2) of section
 1131 627.062, Florida Statutes, is amended to read:

1132 627.062 Rate standards.—

1133 (2) As to all such classes of insurance:

1134 (b) Upon receiving a rate filing, the office shall review
 1135 the filing to determine if a rate is excessive, inadequate, or
 1136 unfairly discriminatory. In making that determination, the
 1137 office shall, in accordance with generally accepted and
 1138 reasonable actuarial techniques, consider the following factors:

1139 1. Past and prospective loss experience within and without
 1140 this state.

1141 2. Past and prospective expenses.

1142 3. The degree of competition among insurers for the risk
 1143 insured.

1144 4. Investment income reasonably expected by the insurer,
 1145 consistent with the insurer's investment practices, from
 1146 investable premiums anticipated in the filing, plus any other
 1147 expected income from currently invested assets representing the
 1148 amount expected on unearned premium reserves and loss reserves.

1149 The commission may adopt rules using reasonable techniques of
1150 actuarial science and economics to specify the manner in which
1151 insurers calculate investment income attributable to classes of
1152 insurance written in this state and the manner in which
1153 investment income is used to calculate insurance rates. Such
1154 manner must contemplate allowances for an underwriting profit
1155 factor and full consideration of investment income which produce
1156 a reasonable rate of return; however, investment income from
1157 invested surplus may not be considered.

1158 5. The reasonableness of the judgment reflected in the
1159 filing.

1160 6. Dividends, savings, or unabsorbed premium deposits
1161 allowed or returned to Florida policyholders, members, or
1162 subscribers.

1163 7. The adequacy of loss reserves.

1164 8. The cost of reinsurance. The office may not disapprove
1165 a rate as excessive solely due to the insurer having obtained
1166 catastrophic reinsurance to cover the insurer's estimated 250-
1167 year probable maximum loss or any lower level of loss.

1168 9. Trend factors, including trends in actual losses per
1169 insured unit for the insurer making the filing.

1170 10. Conflagration and catastrophe hazards, if applicable.

1171 11. Projected hurricane losses, if applicable, which must
1172 be estimated using a model or method, or a straight average of
1173 model results or output ranges, independently found to be
1174 acceptable or reliable by the Florida Commission on Hurricane
1175 Loss Projection Methodology, and as further provided in s.
1176 627.0628.

1177 12. A reasonable margin for underwriting profit and
 1178 contingencies.

1179 13. The cost of medical services, if applicable.

1180 14. Other relevant factors that affect the frequency or
 1181 severity of claims or expenses.

1182 Section 27. Paragraph (d) of subsection (3) of section
 1183 627.0628, Florida Statutes, is amended to read:

1184 627.0628 Florida Commission on Hurricane Loss Projection
 1185 Methodology; public records exemption; public meetings
 1186 exemption.—

1187 (3) ADOPTION AND EFFECT OF STANDARDS AND GUIDELINES.—

1188 (d) With respect to a rate filing under s. 627.062, an
 1189 insurer shall employ and may not modify or adjust actuarial
 1190 methods, principles, standards, models, or output ranges found
 1191 by the commission to be accurate or reliable in determining
 1192 hurricane loss factors for use in a rate filing under s.

1193 627.062. An insurer shall employ and may not modify or adjust
 1194 models found by the commission to be accurate or reliable in
 1195 determining probable maximum loss levels pursuant to paragraph
 1196 (b) with respect to a rate filing under s. 627.062 made more
 1197 than 180 ~~60~~ days after the commission has made such findings.

1198 This paragraph does not prohibit an insurer from using a
 1199 straight average of model results or output ranges or using
 1200 straight averages for the purposes of a rate filing under s.
 1201 627.062.

1202 Section 28. Subsections (2), (3), and (4) of section
 1203 627.072, Florida Statutes, are renumbered as subsections (3),
 1204 (4), and (5), respectively, and a new subsection (2) is added to

1205 that section to read:

1206 627.072 Making and use of rates.—

1207 (2) A retrospective rating plan may contain a provision
 1208 that allows negotiation between the employer and the insurer to
 1209 determine the retrospective rating factors used to calculate the
 1210 premium for employers having exposure in more than one state and
 1211 an estimated annual standard premium in this state of \$175,000
 1212 and an estimated annual countrywide standard premium of \$1
 1213 million or more for workers' compensation.

1214 Section 29. Subsection (2) of section 627.281, Florida
 1215 Statutes, is amended to read:

1216 627.281 Appeal from rating organization; workers'
 1217 compensation and employer's liability insurance filings.—

1218 (2) If such appeal is based upon the failure of the rating
 1219 organization to make a filing on behalf of such member or
 1220 subscriber which is based on a system of expense provisions
 1221 which differs, in accordance with the right granted in s.
 1222 627.072 (3) ~~627.072 (2)~~, from the system of expense provisions
 1223 included in a filing made by the rating organization, the office
 1224 shall, if it grants the appeal, order the rating organization to
 1225 make the requested filing for use by the appellant. In deciding
 1226 such appeal, the office shall apply the applicable standards set
 1227 forth in ss. 627.062 and 627.072.

1228 Section 30. Paragraphs (gg), (hh), and (ii) are added to
 1229 subsection (6) of section 627.351, Florida Statutes, to read:

1230 627.351 Insurance risk apportionment plans.—

1231 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

1232 (gg) At least once every 6 months, the corporation shall

1233 submit a report to the office and the Insurance Consumer
 1234 Advocate disclosing:
 1235 1. The total number of requests received for residential
 1236 sinkhole loss coverage;
 1237 2. The total number of policies issued for residential
 1238 sinkhole loss coverage;
 1239 3. The total number of requests declined for residential
 1240 sinkhole loss coverage; and
 1241 4. The reasons for declining the requests for residential
 1242 sinkhole loss coverage.
 1243 (hh) The Legislature finds that it is in the public
 1244 interest that indemnity funds paid pursuant to sinkhole loss
 1245 claims be applied to repairing property damage and that damaged
 1246 property be repaired. Therefore, a Citizens Sinkhole Repair
 1247 Program shall be established by the corporation. By January 1,
 1248 2014, any claim against a corporation policy that covers
 1249 residential sinkhole loss for which it is determined that such
 1250 loss has occurred must be included in and governed by the repair
 1251 program. The repair program may be managed by a third-party
 1252 administrator and, at a minimum, must include the following
 1253 components:
 1254 1. The corporation may not require the policyholder to
 1255 advance payment for repairs.
 1256 2. Repairs shall be conducted by stabilization repair
 1257 contractors who are qualified and approved by the corporation
 1258 based upon criteria including the following minimum
 1259 requirements:
 1260 a. The repair contractor shall be certified as a

1261 contractor pursuant to s. 489.113(1).

1262 b. The repair contractor corporate entity must demonstrate
 1263 compliance with minimum experience requirements to be
 1264 established by the corporation.

1265 c. The repair contractor must demonstrate capacity to be
 1266 bonded and provide performance, surety, or other bonds as
 1267 described in this section, which may be supplemented by
 1268 additional requirements as determined by the corporation.

1269 d. The repair contractor shall demonstrate insurance
 1270 coverage requirements, including, but not limited to, commercial
 1271 general liability coverage and workers' compensation, to be
 1272 established by the corporation.

1273 e. The repair contractor shall maintain a valid Drug Free
 1274 Workplace program.

1275 f. Such other requirements as established by the
 1276 corporation.

1277 3. The repair program shall select qualified repair
 1278 contractors to perform repairs to damaged property pursuant to a
 1279 fixed-price contract between the contractor and the corporation.
 1280 Pursuant to the terms of the contract, the selected repair
 1281 contractor is solely responsible for the performance of all
 1282 necessary repairs specified in the initial engineering report.

1283 4. The administrator, with the approval of the
 1284 corporation, shall develop a standard repair contract that shall
 1285 be used for stabilization of all properties within the program.
 1286 The contract shall include the following minimum requirements:

1287 a. The assigned stabilization repair contractor shall
 1288 agree to make all stabilization repairs identified in the

1289 initial engineering report based upon a fixed price.

1290 b. Each stabilization repair contractor shall post a
1291 payment bond in favor of the corporation as obligee and shall
1292 post a performance bond, secured by a third-party surety, in
1293 favor of the corporation as obligee, in a principal amount equal
1294 to the total cost of all fixed-price contracts annually awarded
1295 to that contractor.

1296 c. In addition to the required performance bond, each
1297 stabilization repair contractor shall also provide a warranty,
1298 secured by a third-party surety, to the policyholder that covers
1299 all repairs provided by the contractor for at least 5 years
1300 after completion of the repairs.

1301 d. Once the stabilization repair contractor has concluded
1302 the repairs, the engineer shall reexamine the property and
1303 confirm that the repairs have been satisfactorily completed and
1304 that no further repairs are necessary to remedy the damage
1305 identified in the initial engineering report.

1306 e. If the engineer concludes that additional repair is
1307 necessary to complete the repairs specified in the initial
1308 engineering report, the stabilization repair contractor shall be
1309 required to perform the repairs at no additional cost to the
1310 corporation or the policyholder.

1311 5. The corporation shall enter into contracts to perform
1312 repairs pursuant to a process that includes, but is not limited
1313 to, the following requirements:

1314 a. Within 30 days after the completion of the final
1315 engineering report that includes a remediation plan for a
1316 damaged property within the program, the report shall be

1317 identified on a list that shall be made available to all
1318 contractors within the program. The list shall include an
1319 estimate of the cost to complete all repairs recommended in the
1320 initial engineering report and shall be made available upon
1321 request to all contractors within the program.

1322 b. The corporation shall establish a selection process for
1323 assigning repair contractors to perform repairs for each
1324 property within the program that shall include solicitation of
1325 sealed offers by all repair contractors within the program who
1326 decide to submit a proposal. The administrator shall select no
1327 more than three proposals from those submitted based upon
1328 factors including, but not limited to, cost, quality, and
1329 qualifications.

1330 c. Following the selection process for each property, the
1331 administrator shall provide the policyholder with a list of the
1332 top three stabilization repair contractors from which the
1333 policyholder shall be provided an opportunity to select the
1334 stabilization repair contractor to perform the repairs.

1335 d. In the event that no stabilization repair contractor
1336 submits a bid to perform the stabilization repairs for a
1337 property within the program, the administrator may enter the
1338 property into the selection process again or the corporation may
1339 pay to the policyholder an amount agreed upon by the
1340 policyholder and the corporation, which may include the full
1341 amount of policy coverage.

1342 6. The corporation is not responsible for serving as a
1343 repair contractor. The corporation's obligations pursuant to the
1344 repair program are not an election to repair by the corporation

1345 and, therefore, do not imply a new contractual relationship.

1346 7. Except as provided in s. 627.707(5) and (6), the
1347 corporation's liability related to repair activity for damaged
1348 property included in the repair program is no greater than the
1349 limits of the policy covering that property.

1350 8. Section 627.707(5) (d) and any other provision of law do
1351 not relieve the obligation under this subsection to apply the
1352 proceeds of a sinkhole loss claim to stabilize the land and the
1353 building and to repair the foundation pursuant to the repair
1354 program.

1355 (ii) A policy for residential property insurance issued by
1356 the corporation shall include a deductible amount applicable to
1357 sinkhole losses offered in amounts equal to 2 percent, 5
1358 percent, and 10 percent of the policy dwelling limits, with
1359 appropriate premium discounts offered with each deductible
1360 amount.

1361 Section 31. Section 627.3519, Florida Statutes, is
1362 repealed.

1363 Section 32. Paragraph (b) of subsection (2) of section
1364 627.4133, Florida Statutes, is amended to read:

1365 627.4133 Notice of cancellation, nonrenewal, or renewal
1366 premium.—

1367 (2) With respect to any personal lines or commercial
1368 residential property insurance policy, including, but not
1369 limited to, any homeowner's, mobile home owner's, farmowner's,
1370 condominium association, condominium unit owner's, apartment
1371 building, or other policy covering a residential structure or
1372 its contents:

1373 (b) The insurer shall give the first-named insured written
1374 notice of nonrenewal, cancellation, or termination at least 120
1375 ~~100~~ days before the effective date of the nonrenewal,
1376 cancellation, or termination. ~~However, the insurer shall give at~~
1377 ~~least 100 days' written notice, or written notice by June 1,~~
1378 ~~whichever is earlier, for any nonrenewal, cancellation, or~~
1379 ~~termination that would be effective between June 1 and November~~
1380 ~~30.~~ The notice must include the reason or reasons for the
1381 nonrenewal, cancellation, or termination, except that:

1382 ~~1. The insurer shall give the first-named insured written~~
1383 ~~notice of nonrenewal, cancellation, or termination at least 120~~
1384 ~~days prior to the effective date of the nonrenewal,~~
1385 ~~cancellation, or termination for a first-named insured whose~~
1386 ~~residential structure has been insured by that insurer or an~~
1387 ~~affiliated insurer for at least a 5-year period immediately~~
1388 ~~prior to the date of the written notice.~~

1389 ~~1.2.~~ If cancellation is for nonpayment of premium, at
1390 least 10 days' written notice of cancellation accompanied by the
1391 reason therefor must be given. As used in this subparagraph, the
1392 term "nonpayment of premium" means failure of the named insured
1393 to discharge when due her or his obligations for in connection
1394 ~~with~~ the payment of premiums on a policy or any installment of
1395 such premium, whether the premium is payable directly to the
1396 insurer or its agent or indirectly under any premium finance
1397 plan or extension of credit, or failure to maintain membership
1398 in an organization if such membership is a condition precedent
1399 to insurance coverage. The term also means the failure of a
1400 financial institution to honor an insurance applicant's check

1401 after delivery to a licensed agent for payment of a premium,
 1402 even if the agent has previously delivered or transferred the
 1403 premium to the insurer. If a dishonored check represents the
 1404 initial premium payment, the contract and all contractual
 1405 obligations are void ab initio unless the nonpayment is cured
 1406 within the earlier of 5 days after actual notice by certified
 1407 mail is received by the applicant or 15 days after notice is
 1408 sent to the applicant by certified mail or registered mail, ~~and~~
 1409 If the contract is void, any premium received by the insurer
 1410 from a third party must be refunded to that party in full.

1411 2.3. If ~~such~~ cancellation or termination occurs during the
 1412 first 90 days the insurance is in force and the insurance is
 1413 canceled or terminated for reasons other than nonpayment of
 1414 premium, at least 20 days' written notice of cancellation or
 1415 termination accompanied by the reason therefor must be given
 1416 unless there has been a material misstatement or
 1417 misrepresentation or failure to comply with the underwriting
 1418 requirements established by the insurer.

1419 3. After the policy has been in effect for 90 days, the
 1420 policy may not be canceled by the insurer unless there has been
 1421 a material misstatement, a nonpayment of premium, a failure to
 1422 comply with underwriting requirements established by the insurer
 1423 within 90 days after the date of effectuation of coverage, or a
 1424 substantial change in the risk covered by the policy or if the
 1425 cancellation is for all insureds under such policies for a given
 1426 class of insureds. This subparagraph does not apply to
 1427 individually rated risks having a policy term of less than 90
 1428 days.

1429 ~~4. The requirement for providing written notice by June 1~~
1430 ~~of any nonrenewal that would be effective between June 1 and~~
1431 ~~November 30 does not apply to the following situations, but the~~
1432 ~~insurer remains subject to the requirement to provide such~~
1433 ~~notice at least 100 days before the effective date of~~
1434 ~~nonrenewal:~~

1435 ~~a. A policy that is nonrenewed due to a revision in the~~
1436 ~~coverage for sinkhole losses and catastrophic ground cover~~
1437 ~~collapse pursuant to s. 627.706.~~

1438 4.b. A policy that is nonrenewed by Citizens Property
1439 Insurance Corporation, pursuant to s. 627.351(6), for a policy
1440 that has been assumed by an authorized insurer offering
1441 replacement coverage to the policyholder is exempt from the
1442 notice requirements of paragraph (a) and this paragraph. In such
1443 cases, the corporation must give the named insured written
1444 notice of nonrenewal at least 45 days before the effective date
1445 of the nonrenewal.

1446
1447 ~~After the policy has been in effect for 90 days, the policy may~~
1448 ~~not be canceled by the insurer unless there has been a material~~
1449 ~~misstatement, a nonpayment of premium, a failure to comply with~~
1450 ~~underwriting requirements established by the insurer within 90~~
1451 ~~days after the date of effectuation of coverage, or a~~
1452 ~~substantial change in the risk covered by the policy or if the~~
1453 ~~cancellation is for all insureds under such policies for a given~~
1454 ~~class of insureds. This paragraph does not apply to individually~~
1455 ~~rated risks having a policy term of less than 90 days.~~

1456 5. Notwithstanding any other provision of law, an insurer

1457 may cancel or nonrenew a property insurance policy after at
1458 least 45 days' notice if the office finds that the early
1459 cancellation of some or all of the insurer's policies is
1460 necessary to protect the best interests of the public or
1461 policyholders and the office approves the insurer's plan for
1462 early cancellation or nonrenewal of some or all of its policies.
1463 The office may base such finding upon the financial condition of
1464 the insurer, lack of adequate reinsurance coverage for hurricane
1465 risk, or other relevant factors. The office may condition its
1466 finding on the consent of the insurer to be placed under
1467 administrative supervision pursuant to s. 624.81 or to the
1468 appointment of a receiver under chapter 631.

1469 6. A policy covering both a home and motor vehicle may be
1470 nonrenewed for any reason applicable to ~~either~~ the property or
1471 motor vehicle insurance after providing 90 days' notice.

1472 Section 33. Subsection (1) of section 627.4137, Florida
1473 Statutes, is amended to read:

1474 627.4137 Disclosure of certain information required.—

1475 (1) Each insurer that provides ~~which does~~ or may provide
1476 liability insurance coverage to pay all or a portion of any
1477 claim that ~~which~~ might be made shall provide, within 30 days
1478 after ~~of~~ the written request of the claimant, a statement, under
1479 oath, of a corporate officer or the insurer's claims manager, ~~or~~
1480 superintendent, or licensed company adjuster setting forth the
1481 following information with regard to each known policy of
1482 insurance, including excess or umbrella insurance:

1483 (a) The name of the insurer.

1484 (b) The name of each insured.

1485 (c) The limits of the liability coverage.

1486 (d) A statement of any policy or coverage defense that the
 1487 ~~which such~~ insurer reasonably believes is available to the ~~such~~
 1488 insurer at the time of filing such statement.

1489 (e) A copy of the policy.

1490

1491 In addition, the insured, or her or his insurance agent, upon
 1492 written request of the claimant or the claimant's attorney,
 1493 shall disclose the name and coverage of each known insurer to
 1494 the claimant and shall forward such request for information as
 1495 required by this subsection to all affected insurers. The
 1496 insurer shall then supply the information required in this
 1497 subsection to the claimant within 30 days after ~~of~~ receipt of
 1498 such request.

1499 Section 34. Subsection (1) of section 627.421, Florida
 1500 Statutes, is amended to read:

1501 627.421 Delivery of policy.—

1502 (1) Subject to the insurer's requirement as to payment of
 1503 premium, every policy shall be mailed or delivered to the
 1504 insured or to the person entitled thereto not later than 60 days
 1505 after the effectuation of coverage. Notwithstanding any other
 1506 provision of law, an insurer may allow a policyholder of
 1507 personal lines insurance to affirmatively elect delivery of the
 1508 policy documents, including, but not limited to, policies,
 1509 endorsements, notices, or documents, by electronic means in lieu
 1510 of delivery by mail.

1511 Section 35. Subsection (2) of section 627.43141, Florida
 1512 Statutes, is amended to read:

1513 627.43141 Notice of change in policy terms.—
 1514 (2) A renewal policy may contain a change in policy terms.
 1515 If a renewal policy contains ~~does contain~~ such change, the
 1516 insurer must give the named insured written notice of the
 1517 change, which may either ~~must~~ be enclosed along with the written
 1518 notice of renewal premium required by ss. 627.4133 and 627.728
 1519 or be sent in a separate notice that complies with the
 1520 nonrenewal mailing time requirement for that particular line of
 1521 business. The insurer must also provide a sample copy of the
 1522 notice to the insured's insurance agent before or at the same
 1523 time that notice is given to the insured. Such notice shall be
 1524 entitled "Notice of Change in Policy Terms."

1525 Section 36. Section 627.6484, Florida Statutes, is amended
 1526 to read:

1527 627.6484 Dissolution of association; termination of
 1528 enrollment; availability of other coverage.—

1529 (1) The association shall accept applications for
 1530 insurance only until June 30, 1991, after which date no further
 1531 applications may be accepted.

1532 (2) Coverage for each policyholder of the association
 1533 shall terminate at midnight, June 30, 2014, or on the date that
 1534 health insurance coverage is effective with another insurer,
 1535 whichever occurs first, and such coverage may not be renewed.

1536 (3) The association must provide assistance to each
 1537 policyholder concerning how to obtain health insurance coverage.
 1538 Such assistance shall include the identification of insurers and
 1539 health maintenance organizations offering coverage in the
 1540 individual market, including inside and outside of the Health

1541 Insurance Exchange, a basic explanation of the levels of
1542 coverage available, and specific information relating to local
1543 and online sources where each policyholder may obtain detailed
1544 policy and premium comparisons and directly obtain coverage.

1545 (4) The association shall provide written notice to all
1546 policyholders by September 1, 2013, that informs each
1547 policyholder with respect to:

1548 (a) The date that coverage with the association is
1549 terminated and that such coverage may not be renewed.

1550 (b) The opportunity for the policyholder to obtain
1551 individual health insurance coverage on a guaranteed-issue
1552 basis, regardless of policyholder's health status, from any
1553 health insurer or health maintenance organization that offers
1554 coverage in the individual market, including the dates of open
1555 enrollment periods for obtaining such coverage.

1556 (c) How to access coverage through the Health Insurance
1557 Exchange established for this state pursuant to the Patient
1558 Protection and Affordable Care Act and the potential for
1559 obtaining reduced premiums and cost-sharing provisions depending
1560 on the policyholder's family income level.

1561 (d) Contact information for a representative of the
1562 association who is able to provide additional information about
1563 obtaining individual health insurance coverage both inside and
1564 outside of the Health Insurance Exchange.

1565 (5) After termination of coverage, the association must
1566 continue to receive and process timely submitted claims in
1567 accordance with the laws of this state.

1568 (6) By March 15, 2015, the association must determine the

1569 final assessment to be collected from insurers for funding
1570 claims and administrative expenses of the association or, if
1571 surplus funds remain, determine the refund amount to be provided
1572 to each insurer based on the same pro rata formula used for
1573 determining each insurer's assessment.

1574 (7) By September 1, 2015, the board must:

1575 (a) Complete performance of all program responsibilities.

1576 (b) Sell or otherwise dispose of all physical assets of
1577 the association.

1578 (c) Make a final accounting of the finances of the
1579 association.

1580 (d) Transfer all records to the Department of Financial
1581 Services, which shall serve as custodian of such records.

1582 (e) Execute a legal dissolution of the association and
1583 report such action to the Chief Financial Officer, the Insurance
1584 Commissioner, the President of the Senate, and the Speaker of
1585 the House of Representatives. Upon receipt of an application for
1586 insurance, the association shall issue coverage for an eligible
1587 applicant. When appropriate, the administrator shall forward a
1588 copy of the application to a market assistance plan created by
1589 the office, which shall conduct a diligent search of the private
1590 marketplace for a carrier willing to accept the application.

1591 ~~(2) The office shall, after consultation with the health~~
1592 ~~insurers licensed in this state, adopt a market assistance plan~~
1593 ~~to assist in the placement of risks of Florida Comprehensive~~
1594 ~~Health Association applicants. All health insurers and health~~
1595 ~~maintenance organizations licensed in this state shall~~
1596 ~~participate in the plan.~~

1597 ~~(3) Guidelines for the use of such program shall be a part~~
1598 ~~of the association's plan of operation. The guidelines shall~~
1599 ~~describe which types of applications are to be exempt from~~
1600 ~~submission to the market assistance plan. An exemption shall be~~
1601 ~~based upon a determination that due to a specific health~~
1602 ~~condition an applicant is ineligible for coverage in the~~
1603 ~~standard market. The guidelines shall also describe how the~~
1604 ~~market assistance plan is to be conducted, and how the periodic~~
1605 ~~reviews to depopulate the association are to be conducted.~~

1606 ~~(4) If a carrier is found through the market assistance~~
1607 ~~plan, the individual shall apply to that company. If the~~
1608 ~~individual's application is accepted, association coverage shall~~
1609 ~~terminate upon the effective date of the coverage with the~~
1610 ~~private carrier. For the purpose of applying a preexisting~~
1611 ~~condition limitation or exclusion, any carrier accepting a risk~~
1612 ~~pursuant to this section shall provide coverage as if it began~~
1613 ~~on the date coverage was effectuated on behalf of the~~
1614 ~~association, and shall be indemnified by the association for~~
1615 ~~claims costs incurred as a result of utilizing such effective~~
1616 ~~date.~~

1617 ~~(5) The association shall establish a policyholder~~
1618 ~~assistance program by July 1, 1991, to assist in placing~~
1619 ~~eligible policyholders in other coverage programs, including~~
1620 ~~Medicare and Medicaid.~~

1621 Section 37. Section 627.64872, Florida Statutes, is
1622 repealed.

1623 Section 38. Effective October 1, 2015, sections 627.648,
1624 627.6482, 627.6484, 627.6486, 627.6488, 627.6489, 627.649,

1625 627.6492, 627.6494, 627.6496, 627.6498, and 627.6499, Florida
 1626 Statutes, are repealed.

1627 Section 39. Paragraph (b) of subsection (4) of section
 1628 627.7015, Florida Statutes, is amended to read:

1629 627.7015 Alternative procedure for resolution of disputed
 1630 property insurance claims.—

1631 (4) The department shall adopt by rule a property
 1632 insurance mediation program to be administered by the department
 1633 or its designee. The department may also adopt special rules
 1634 which are applicable in cases of an emergency within the state.
 1635 The rules shall be modeled after practices and procedures set
 1636 forth in mediation rules of procedure adopted by the Supreme
 1637 Court. The rules shall provide for:

1638 (b) Qualifications, denial of application, suspension,
 1639 revocation, and other penalties for ~~of~~ mediators as provided in
 1640 s. 627.745 and in the Florida Rules of Certified and Court
 1641 Appointed Mediators, ~~and for such other individuals as are~~
 1642 ~~qualified by education, training, or experience as the~~
 1643 ~~department determines to be appropriate.~~

1644 Section 40. Section 627.70151, Florida Statutes, is
 1645 created to read:

1646 627.70151 Appraisal; conflicts of interest.—An insurer
 1647 that offers residential coverage, as defined in s. 627.4025, or
 1648 a policyholder that uses an appraisal clause in the property
 1649 insurance contract to establish a process of estimating or
 1650 evaluating the amount of the loss through the use of an
 1651 impartial umpire may challenge the umpire's impartiality and
 1652 disqualify the proposed umpire only if:

1653 (1) A familial relationship within the third degree exists
 1654 between the umpire and any party or a representative of any
 1655 party;

1656 (2) The umpire has previously represented any party or a
 1657 representative of any party in a professional capacity in the
 1658 same or a substantially related matter;

1659 (3) The umpire has represented another person in a
 1660 professional capacity on the same or a substantially related
 1661 matter, which includes the claim, same property, or an adjacent
 1662 property and that other person's interests are materially
 1663 adverse to the interests of any party; or

1664 (4) The umpire has worked as an employer or employee of
 1665 any party within the preceding 5 years.

1666 Section 41. Paragraph (c) of subsection (2) of section
 1667 627.706, Florida Statutes, is amended to read:

1668 627.706 Sinkhole insurance; catastrophic ground cover
 1669 collapse; definitions.—

1670 (2) As used in ss. 627.706-627.7074, and as used in
 1671 connection with any policy providing coverage for a catastrophic
 1672 ground cover collapse or for sinkhole losses, the term:

1673 (c) "Neutral evaluator" means a professional engineer or a
 1674 professional geologist who has completed a course of study in
 1675 alternative dispute resolution designed or approved by the
 1676 department for use in the neutral evaluation process, ~~and~~ who is
 1677 determined by the department to be fair and impartial, and who
 1678 is not otherwise ineligible for certification as provided in s.
 1679 627.7074.

1680 Section 42. Subsection (1) of section 627.7074, Florida

1681 Statutes, is amended to read:

1682 627.7074 Alternative procedure for resolution of disputed
1683 sinkhole insurance claims.—

1684 (1) The department shall:

1685 (a) Certify and maintain a list of persons who are neutral
1686 evaluators.

1687 **(b) Adopt rules for certifying, denying certification,**
1688 **suspending certification, and revoking certification as a**
1689 **neutral evaluator, in keeping with qualifications specified in**
1690 **this section and ss. 627.706 and 627.745(4).**

1691 **(c) ~~(b)~~** Prepare a consumer information pamphlet for
1692 distribution by insurers to policyholders which clearly
1693 describes the neutral evaluation process and includes
1694 information necessary for the policyholder to request a neutral
1695 evaluation.

1696 Section 43. Paragraph (a) of subsection (5) of section
1697 627.736, Florida Statutes, is amended to read:

1698 627.736 Required personal injury protection benefits;
1699 exclusions; priority; claims.—

1700 (5) CHARGES FOR TREATMENT OF INJURED PERSONS.—

1701 (a) A physician, hospital, clinic, or other person or
1702 institution lawfully rendering treatment to an injured person
1703 for a bodily injury covered by personal injury protection
1704 insurance may charge the insurer and injured party only a
1705 reasonable amount pursuant to this section for the services and
1706 supplies rendered, and the insurer providing such coverage may
1707 pay for such charges directly to such person or institution
1708 lawfully rendering such treatment if the insured receiving such

1709 treatment or his or her guardian has countersigned the properly
1710 completed invoice, bill, or claim form approved by the office
1711 upon which such charges are to be paid for as having actually
1712 been rendered, to the best knowledge of the insured or his or
1713 her guardian. However, such a charge may not exceed the amount
1714 the person or institution customarily charges for like services
1715 or supplies. In determining whether a charge for a particular
1716 service, treatment, or otherwise is reasonable, consideration
1717 may be given to evidence of usual and customary charges and
1718 payments accepted by the provider involved in the dispute,
1719 reimbursement levels in the community and various federal and
1720 state medical fee schedules applicable to motor vehicle and
1721 other insurance coverages, and other information relevant to the
1722 reasonableness of the reimbursement for the service, treatment,
1723 or supply.

1724 1. The insurer may limit reimbursement to 80 percent of
1725 the following schedule of maximum charges:

1726 a. For emergency transport and treatment by providers
1727 licensed under chapter 401, 200 percent of Medicare.

1728 b. For emergency services and care provided by a hospital
1729 licensed under chapter 395, 75 percent of the hospital's usual
1730 and customary charges.

1731 c. For emergency services and care as defined by s.
1732 395.002 provided in a facility licensed under chapter 395
1733 rendered by a physician or dentist, and related hospital
1734 inpatient services rendered by a physician or dentist, the usual
1735 and customary charges in the community.

1736 d. For hospital inpatient services, other than emergency

1737 services and care, 200 percent of the Medicare Part A
1738 prospective payment applicable to the specific hospital
1739 providing the inpatient services.

1740 e. For hospital outpatient services, other than emergency
1741 services and care, 200 percent of the Medicare Part A Ambulatory
1742 Payment Classification for the specific hospital providing the
1743 outpatient services.

1744 f. For all other medical services, supplies, and care, 200
1745 percent of the allowable amount under:

1746 (I) The participating physicians fee schedule of Medicare
1747 Part B, except as provided in sub-sub-subparagraphs (II) and
1748 (III).

1749 (II) Medicare Part B, in the case of services, supplies,
1750 and care provided by ambulatory surgical centers and clinical
1751 laboratories.

1752 (III) The Durable Medical Equipment Prosthetics/Orthotics
1753 and Supplies fee schedule of Medicare Part B, in the case of
1754 durable medical equipment.

1755
1756 However, if such services, supplies, or care is not reimbursable
1757 under Medicare Part B, as provided in this sub-subparagraph, the
1758 insurer may limit reimbursement to 80 percent of the maximum
1759 reimbursable allowance under workers' compensation, as
1760 determined under s. 440.13 and rules adopted thereunder which
1761 are in effect at the time such services, supplies, or care is
1762 provided. Services, supplies, or care that is not reimbursable
1763 under Medicare or workers' compensation is not required to be
1764 reimbursed by the insurer.

1765 2. For purposes of subparagraph 1., the applicable fee
1766 schedule or payment limitation under Medicare is the fee
1767 schedule or payment limitation in effect on March 1 of the year
1768 in which the services, supplies, or care is rendered and for the
1769 area in which such services, supplies, or care is rendered, and
1770 the applicable fee schedule or payment limitation applies from
1771 March 1 until the last day of the following February ~~throughout~~
1772 ~~the remainder of that year~~, notwithstanding any subsequent
1773 change made to the fee schedule or payment limitation, except
1774 that it may not be less than the allowable amount under the
1775 applicable schedule of Medicare Part B for 2007 for medical
1776 services, supplies, and care subject to Medicare Part B.

1777 3. Subparagraph 1. does not allow the insurer to apply any
1778 limitation on the number of treatments or other utilization
1779 limits that apply under Medicare or workers' compensation. An
1780 insurer that applies the allowable payment limitations of
1781 subparagraph 1. must reimburse a provider who lawfully provided
1782 care or treatment under the scope of his or her license,
1783 regardless of whether such provider is entitled to reimbursement
1784 under Medicare due to restrictions or limitations on the types
1785 or discipline of health care providers who may be reimbursed for
1786 particular procedures or procedure codes. However, subparagraph
1787 1. does not prohibit an insurer from using the Medicare coding
1788 policies and payment methodologies of the federal Centers for
1789 Medicare and Medicaid Services, including applicable modifiers,
1790 to determine the appropriate amount of reimbursement for medical
1791 services, supplies, or care if the coding policy or payment
1792 methodology does not constitute a utilization limit.

1793 4. If an insurer limits payment as authorized by
1794 subparagraph 1., the person providing such services, supplies,
1795 or care may not bill or attempt to collect from the insured any
1796 amount in excess of such limits, except for amounts that are not
1797 covered by the insured's personal injury protection coverage due
1798 to the coinsurance amount or maximum policy limits.

1799 5. Effective July 1, 2012, an insurer may limit payment as
1800 authorized by this paragraph only if the insurance policy
1801 includes a notice at the time of issuance or renewal that the
1802 insurer may limit payment pursuant to the schedule of charges
1803 specified in this paragraph. A policy form approved by the
1804 office satisfies this requirement. If a provider submits a
1805 charge for an amount less than the amount allowed under
1806 subparagraph 1., the insurer may pay the amount of the charge
1807 submitted.

1808 Section 44. Subsection (3) of section 627.745, Florida
1809 Statutes, is amended, present subsections (4) and (5) of that
1810 section are renumbered as subsections (5) and (6), respectively,
1811 and a new subsection (4) is added to that section, to read:

1812 627.745 Mediation of claims.—

1813 (3) (a) The department shall approve mediators to conduct
1814 mediations pursuant to this section. All mediators must file an
1815 application under oath for approval as a mediator.

1816 (b) To qualify for approval as a mediator, an individual ~~a~~
1817 ~~person~~ must meet one of the following qualifications:

1818 1. Possess an active certification as a Florida Supreme
1819 Court certified circuit court mediator. A Florida Supreme Court
1820 certified circuit court mediator in a lapse, suspended,

1821 sanctioned, or decertified status is not eligible to participate
1822 in the mediation program ~~a masters or doctorate degree in~~
1823 ~~psychology, counseling, business, accounting, or economics, be a~~
1824 ~~member of The Florida Bar, be licensed as a certified public~~
1825 ~~accountant, or demonstrate that the applicant for approval has~~
1826 ~~been actively engaged as a qualified mediator for at least 4~~
1827 ~~years prior to July 1, 1990.~~

1828 2. Be an approved department mediator as of July 1, 2013,
1829 and have conducted at least one mediation on behalf of the
1830 department within 4 years immediately preceding that the date
1831 ~~the application for approval is filed with the department, have~~
1832 ~~completed a minimum of a 40-hour training program approved by~~
1833 ~~the department and successfully passed a final examination~~
1834 ~~included in the training program and approved by the department.~~
1835 ~~The training program shall include and address all of the~~
1836 ~~following:~~

- 1837 a. ~~Mediation theory.~~
1838 b. ~~Mediation process and techniques.~~
1839 e. ~~Standards of conduct for mediators.~~
1840 d. ~~Conflict management and intervention skills.~~
1841 e. ~~Insurance nomenclature.~~

1842 (4) The department shall deny an application, or suspend
1843 or revoke its approval of a mediator or certification of a
1844 neutral evaluator to serve in such capacity, if the department
1845 finds that any of the following grounds exist:

1846 (a) Lack of one or more of the qualifications specified in
1847 this section for approval or certification.

1848 (b) Material misstatement, misrepresentation, or fraud in

1849 obtaining or attempting to obtain the approval or certification.

1850 (c) Demonstrated lack of fitness or trustworthiness to act
 1851 as a mediator or neutral evaluator.

1852 (d) Fraudulent or dishonest practices in the conduct of
 1853 mediation or neutral evaluation or in the conduct of business in
 1854 the financial services industry.

1855 (e) Violation of any provision of this code or of a lawful
 1856 order or rule of the department, violation of the Florida Rules
 1857 of Certified and Court Appointed Mediators, or aiding,
 1858 instructing, or encouraging another party in committing such a
 1859 violation.

1860
 1861 The department may adopt rules to administer this subsection.

1862 Section 45. Subsection (4) of section 627.841, Florida
 1863 Statutes, is amended to read:

1864 627.841 Delinquency, collection, cancellation, and ~~check~~
 1865 return payment charges; attorney ~~attorney's~~ fees.—

1866 (4) In the event that a payment is made to a premium
 1867 finance company by debit, credit, electronic funds transfer,
 1868 check, or draft and such payment the instrument is returned, is
 1869 declined, or cannot be processed due to ~~because of~~ insufficient
 1870 funds ~~to pay it,~~ the premium finance company may, if the premium
 1871 finance agreement so provides, impose a return payment charge of
 1872 \$15.

1873 Section 46. Paragraph (b) of subsection (1) of section
 1874 627.952, Florida Statutes, is amended to read:

1875 627.952 Risk retention and purchasing group agents.—

1876 (1) Any person offering, soliciting, selling, purchasing,

1877 administering, or otherwise servicing insurance contracts,
1878 certificates, or agreements for any purchasing group or risk
1879 retention group to any resident of this state, either directly
1880 or indirectly, by the use of mail, advertising, or other means
1881 of communication, shall obtain a license and appointment to act
1882 as a resident general lines agent, if a resident of this state,
1883 or a nonresident general lines agent if not a resident. Any such
1884 person shall be subject to all requirements of the Florida
1885 Insurance Code.

1886 (b) Any person required to be licensed and appointed under
1887 this subsection, in order to place business through Florida
1888 eligible surplus lines carriers, must, if a resident of this
1889 state, be licensed and appointed as a surplus lines agent. If
1890 not a resident of this state, such person must be licensed and
1891 appointed as a nonresident surplus lines agent in this her or
1892 ~~his state of residence and file and maintain a fidelity bond in~~
1893 ~~favor of the people of the State of Florida executed by a surety~~
1894 ~~company admitted in this state and payable to the State of~~
1895 ~~Florida; however, such nonresident is limited to the provision~~
1896 ~~of insurance for purchasing groups. The bond must be continuous~~
1897 ~~in form and in the amount of not less than \$50,000, aggregate~~
1898 ~~liability. The bond must remain in force and effect until the~~
1899 ~~surety is released from liability by the department or until the~~
1900 ~~bond is canceled by the surety. The surety may cancel the bond~~
1901 ~~and be released from further liability upon 30 days' prior~~
1902 ~~written notice to the department. The cancellation does not~~
1903 ~~affect any liability incurred or accrued before the termination~~
1904 ~~of the 30 day period. Upon receipt of a notice of cancellation,~~

1905 | ~~the department shall immediately notify the agent.~~

1906 | Section 47. Subsection (6) of section 627.971, Florida
 1907 | Statutes, is amended to read:

1908 | 627.971 Definitions.—As used in this part:

1909 | (6) "Financial guaranty insurance corporation" means a
 1910 | stock or mutual insurer licensed to transact financial guaranty
 1911 | insurance business in this state.

1912 | Section 48. Subsection (1) of section 627.972, Florida
 1913 | Statutes, is amended to read:

1914 | 627.972 Organization; financial requirements.—

1915 | (1) A financial guaranty insurance corporation must be
 1916 | organized and licensed in the manner prescribed in this code for
 1917 | stock or mutual property and casualty insurers except that:

1918 | (a) A corporation organized to transact financial guaranty
 1919 | insurance may, subject to the provisions of this code, be
 1920 | licensed to transact:

- 1921 | 1. Residual value insurance, as defined by s. 624.6081;
- 1922 | 2. Surety insurance, as defined by s. 624.606;
- 1923 | 3. Credit insurance, as defined by s. 624.605(1)(i); and
- 1924 | 4. Mortgage guaranty insurance as defined in s. 635.011,
- 1925 | provided that the provisions of chapter 635 are met.

1926 | (b)1. Before ~~Prior to~~ the issuance of a license, a
 1927 | corporation must submit to the office for approval, a plan of
 1928 | operation detailing:

- 1929 | a. The types and projected diversification of guaranties
- 1930 | to be issued;
- 1931 | b. The underwriting procedures to be followed;
- 1932 | c. The managerial oversight methods;

1933 d. The investment policies; and
 1934 e. Any other matters prescribed by the office;
 1935 2. An insurer which is writing only the types of insurance
 1936 allowed under this part on July 1, 1988, and otherwise meets the
 1937 requirements of this part, is exempt from the requirements of
 1938 this paragraph.

1939 (c) An insurer transacting financial guaranty insurance is
 1940 subject to all provisions of this code that are applicable to
 1941 property and casualty insurers to the extent that those
 1942 provisions are not inconsistent with this part.

1943 (d) The investments of an insurer transacting financial
 1944 guaranty insurance in any entity insured by the corporation may
 1945 not exceed 2 percent of its admitted assets as of the end of the
 1946 prior calendar year.

1947 (e) An insurer transacting financial guaranty insurance
 1948 may only assume those lines of insurance for which it is
 1949 licensed to write direct business.

1950 Section 49. Subsection (13) of section 628.901, Florida
 1951 Statutes, is amended to read:

1952 628.901 Definitions.—As used in this part, the term:

1953 (13) "Qualifying reinsurer parent company" means a
 1954 reinsurer that ~~which~~ currently holds a certificate of authority
 1955 or a letter of eligibility or is a trustee reinsurer or an
 1956 ~~accredited or a satisfactory non-approved~~ reinsurer in this
 1957 state possessing a consolidated GAAP net worth of at least \$500
 1958 million and a consolidated debt to total capital ratio of not
 1959 greater than 0.50.

1960 Section 50. Paragraph (a) of subsection (2) and paragraph

1961 (a) of subsection (3) of section 628.909, Florida Statutes, are
 1962 amended to read:

1963 628.909 Applicability of other laws.—

1964 (2) The following provisions of the Florida Insurance Code
 1965 apply to captive insurers who are not industrial insured captive
 1966 insurers to the extent that such provisions are not inconsistent
 1967 with this part:

1968 (a) Chapter 624, except for ss. 624.407, 624.408,
 1969 624.4085, 624.40851, 624.4095, 624.411, 624.425, and 624.426.

1970 (3) The following provisions of the Florida Insurance Code
 1971 apply to industrial insured captive insurers to the extent that
 1972 such provisions are not inconsistent with this part:

1973 (a) Chapter 624, except for ss. 624.407, 624.408,
 1974 624.4085, 624.40851, 624.4095, 624.411, 624.425, 624.426, and
 1975 624.609(1).

1976 Section 51. Subsection (8) of section 634.406, Florida
 1977 Statutes, is renumbered as subsection (7), and present
 1978 subsections (6) and (7) of that section are amended to read:

1979 634.406 Financial requirements.—

1980 (6) An association which holds a license under this part
 1981 ~~and which does not hold any other license under this chapter~~ may
 1982 allow its premiums for service warranties written under this
 1983 part to exceed the ratio to net assets limitations of this
 1984 section if the association meets all of the following:

1985 (a) Maintains net assets of at least \$750,000.

1986 (b) Utilizes a contractual liability insurance policy
 1987 approved by the office which:

1988 1. Reimburses the service warranty association for 100

1989 | percent of its claims liability and is issued by an insurer that
 1990 | maintains a policyholder surplus of at least \$100 million; or

1991 | 2. Complies with the requirements of subsection (3) and is
 1992 | issued by an insurer that maintains a policyholder surplus of at
 1993 | least \$200 million.

1994 | (c) The insurer issuing the contractual liability
 1995 | insurance policy:

1996 | ~~1. Maintains a policyholder surplus of at least \$100~~
 1997 | ~~million.~~

1998 | ~~1.2.~~ Is rated "A" or higher by A.M. Best Company or an
 1999 | equivalent rating by another national rating service acceptable
 2000 | to the office.

2001 | ~~3. Is in no way affiliated with the warranty association.~~

2002 | ~~2.4.~~ In conjunction with the warranty association's filing
 2003 | of the quarterly and annual reports, provides, on a form
 2004 | prescribed by the commission, a statement certifying the gross
 2005 | written premiums in force reported by the warranty association
 2006 | and a statement that all of the warranty association's gross
 2007 | written premium in force is covered under the contractual
 2008 | liability policy, whether or not it has been reported.

2009 | ~~(7) A contractual liability policy must insure 100 percent~~
 2010 | ~~of an association's claims exposure under all of the~~
 2011 | ~~association's service warranty contracts, wherever written,~~
 2012 | ~~unless all of the following are satisfied:~~

2013 | ~~(a) The contractual liability policy contains a clause~~
 2014 | ~~that specifically names the service warranty contract holders as~~
 2015 | ~~sole beneficiaries of the contractual liability policy and~~
 2016 | ~~claims are paid directly to the person making a claim under the~~

2017 ~~contract;~~

2018 ~~(b) The contractual liability policy meets all other~~

2019 ~~requirements of this part, including subsection (3) of this~~

2020 ~~section, which are not inconsistent with this subsection;~~

2021 ~~(c) The association has been in existence for at least 5~~

2022 ~~years or the association is a wholly owned subsidiary of a~~

2023 ~~corporation that has been in existence and has been licensed as~~

2024 ~~a service warranty association in the state for at least 5~~

2025 ~~years, and:~~

2026 ~~1. Is listed and traded on a recognized stock exchange; is~~

2027 ~~listed in NASDAQ (National Association of Security Dealers~~

2028 ~~Automated Quotation system) and publicly traded in the over-the-~~

2029 ~~counter securities market; is required to file either of Form~~

2030 ~~10-K, Form 100, or Form 20-G with the United States Securities~~

2031 ~~and Exchange Commission; or has American Depository Receipts~~

2032 ~~listed on a recognized stock exchange and publicly traded or is~~

2033 ~~the wholly owned subsidiary of a corporation that is listed and~~

2034 ~~traded on a recognized stock exchange; is listed in NASDAQ~~

2035 ~~(National Association of Security Dealers Automated Quotation~~

2036 ~~system) and publicly traded in the over-the-counter securities~~

2037 ~~market; is required to file Form 10-K, Form 100, or Form 20-G~~

2038 ~~with the United States Securities and Exchange Commission; or~~

2039 ~~has American Depository Receipts listed on a recognized stock~~

2040 ~~exchange and is publicly traded;~~

2041 ~~2. Maintains outstanding debt obligations, if any, rated~~

2042 ~~in the top four rating categories by a recognized rating~~

2043 ~~service;~~

2044 ~~3. Has and maintains at all times a minimum net worth of~~

2045 ~~not less than \$10 million as evidenced by audited financial~~
2046 ~~statements prepared by an independent certified public~~
2047 ~~accountant in accordance with generally accepted accounting~~
2048 ~~principles and submitted to the office annually; and~~
2049 ~~4. Is authorized to do business in this state; and~~
2050 ~~(d) The insurer issuing the contractual liability policy:~~
2051 ~~1. Maintains and has maintained for the preceding 5 years,~~
2052 ~~policyholder surplus of at least \$100 million and is rated "A"~~
2053 ~~or higher by A.M. Best Company or has an equivalent rating by~~
2054 ~~another rating company acceptable to the office;~~
2055 ~~2. Holds a certificate of authority to do business in this~~
2056 ~~state and is approved to write this type of coverage; and~~
2057 ~~3. Acknowledges to the office quarterly that it insures~~
2058 ~~all of the association's claims exposure under contracts~~
2059 ~~delivered in this state.~~
2060
2061 ~~If all the preceding conditions are satisfied, then the scope of~~
2062 ~~coverage under a contractual liability policy shall not be~~
2063 ~~required to exceed an association's claims exposure under~~
2064 ~~service warranty contracts delivered in this state.~~
2065 Section 52. Except as otherwise expressly provided in this
2066 act, this act shall take effect upon becoming a law.