

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	<u> </u>	(Y/N)
ADOPTED AS AMENDED	<u> </u>	(Y/N)
ADOPTED W/O OBJECTION	<u> </u>	(Y/N)
FAILED TO ADOPT	<u> </u>	(Y/N)
WITHDRAWN	<u> </u>	(Y/N)
OTHER	<u> </u>	

1 Committee/Subcommittee hearing bill: Insurance & Banking
 2 Subcommittee

3 Representative Santiago offered the following:

4
 5 **Amendment (with title amendment)**

6 Remove everything after the enacting clause and insert:
 7 Section 1. Subsection (8) is added to section 554.1021,
 8 Florida Statutes, to read:

9 554.1021 Definitions.—As used in ss. 554.1011-554.115:

10 (8) "Authorized inspection agency" means:

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

16 (b) An insurance company that is licensed or registered by
 17 an appropriate authority of any state of the United States or

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18 province of Canada and whose inspectors hold valid certificates
19 of competency in accordance with s. 554.113.

20 Section 2. Section 554.107, Florida Statutes, is amended
21 to read:

22 554.107 Special inspectors.—

23 (1) Upon application by an authorized inspection agency
24 ~~any company licensed to insure boilers in this state,~~ the chief
25 inspector shall issue a certificate of competency as a special
26 inspector to an any inspector employed by the agency if he or
27 she company, provided that such inspector satisfies the
28 competency requirements for inspectors as provided in s.
29 554.113.

30 (2) The certificate of competency of a special inspector
31 remains ~~shall remain~~ in effect only so long as the special
32 inspector is employed by an authorized inspection agency a
33 ~~company licensed to insure boilers in this state.~~ Upon
34 termination of employment with such agency company, a special
35 inspector shall, in writing, notify the chief inspector of such
36 termination. Such notice shall be given within 15 days following
37 the date of termination.

38 Section 3. Subsection (1) of section 554.109, Florida
39 Statutes, is amended to read:

40 554.109 Exemptions.—

41 (1) An Any insurance company that insures ~~insuring~~ a
42 boiler located in a public assembly location in this state shall
43 inspect or contract with an authorized inspection agency to

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44 inspect such boiler ~~so insured,~~ and shall annually report to the
45 department the identity of any authorized inspection agency that
46 performs a required boiler inspection on behalf of the company.
47 A any county, city, town, or other governmental subdivision that
48 ~~which~~ has adopted into law the Boiler and Pressure Vessel Code
49 of the American Society of Mechanical Engineers and the National
50 Board Inspection Code for the construction, installation,
51 inspection, maintenance, and repair of boilers, regulating such
52 boilers in public assembly locations, shall inspect such boilers
53 so regulated.; ~~provided that~~ Such inspection shall be conducted
54 by a special inspector licensed pursuant to ss. 554.1011-
55 554.115. Upon filing of a report of satisfactory inspection with
56 the department, such boiler is exempt from inspection by the
57 department.

58 Section 4. Paragraph (b) of subsection (1) of section
59 624.4625, Florida Statutes, is amended to read:

60 624.4625 Corporation not for profit self-insurance funds.—

61 (1) Notwithstanding any other provision of law, any two or
62 more corporations not for profit located in and organized under
63 the laws of this state may form a self-insurance fund for the
64 purpose of pooling and spreading liabilities of its group
65 members in any one or combination of property or casualty risk,
66 provided the corporation not for profit self-insurance fund that
67 is created:

68 (b) Requires for qualification that each participating
69 member receive at least 75 percent of its revenues from local,

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70 state, or federal governmental sources or a combination of such
 71 sources, or qualify as a publicly supported organization that
 72 normally receives a substantial part of its support from a
 73 governmental unit or from the general public as evidenced on the
 74 organization's most recently filed Internal Revenue Service Form
 75 990 or 990EZ, Schedule A.

76 Section 5. Paragraphs (a) and (c) of subsection (6) and
 77 subsections (7) and (8) of section 624.501, Florida Statutes,
 78 are amended to read:

79 624.501 Filing, license, appointment, and miscellaneous
 80 fees.—The department, commission, or office, as appropriate,
 81 shall collect in advance, and persons so served shall pay to it
 82 in advance, fees, licenses, and miscellaneous charges as
 83 follows:

84 (6) Insurance representatives, property, marine, casualty,
 85 and surety insurance.

86 (a) Agent's original appointment and biennial renewal or
 87 continuation thereof, each insurer or unaffiliated agent making
 88 an appointment:

89 Appointment fee.....	\$42.00
90 State tax.....	12.00
91 County tax.....	6.00
92 Total.....	\$60.00

93 (c) Nonresident agent's original appointment and biennial
 94 renewal or continuation thereof, appointment fee, each insurer
 95 or unaffiliated agent making an appointment.....\$60.00

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96 (7) Life insurance agents.

97 (a) Agent's original appointment and biennial renewal or
98 continuation thereof, each insurer or unaffiliated agent making
99 an appointment:

100	Appointment fee.....	\$42.00
101	State tax.....	12.00
102	County tax.....	6.00
103	Total.....	\$60.00

104 (b) Nonresident agent's original appointment and biennial
105 renewal or continuation thereof, appointment fee, each insurer
106 or unaffiliated agent making an appointment.....\$60.00

107 (8) Health insurance agents.

108 (a) Agent's original appointment and biennial renewal or
109 continuation thereof, each insurer or unaffiliated agent making
110 an appointment:

111	Appointment fee.....	\$42.00
112	State tax.....	12.00
113	County tax.....	6.00
114	Total.....	\$60.00

115 (b) Nonresident agent's original appointment and biennial
116 renewal or continuation thereof, appointment fee, each insurer
117 or unaffiliated agent making an appointment..... \$60.00

118 Section 6. Subsection (11) is amended, and subsection (18)
119 of section 626.015, Florida Statutes, is renumbered as
120 subsection (19), and a new subsection (18) is added to that
121 section to read:

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122 626.015 Definitions.—As used in this part:

123 (11) "Limited customer representative" means a customer
124 representative appointed by a general lines agent or agency to
125 assist that agent or agency in transacting only the business of
126 private passenger motor vehicle insurance from the office of
127 that agent or agency. A limited customer representative is
128 subject to the Florida Insurance Code in the same manner as a
129 customer representative, unless otherwise specified. Effective
130 October 1, 2014, no new limited customer representative licenses
131 may be issued.

132 (18) "Unaffiliated insurance agent" means a licensed
133 insurance agent, except a limited lines agent, who is self-
134 appointed and who practices as an independent consultant in the
135 business of analyzing or abstracting insurance policies,
136 providing insurance advice or counseling, or making specific
137 recommendations or comparisons of insurance products for a fee
138 established in advance by written contract signed by the
139 parties. An unaffiliated insurance agent may not be affiliated
140 with an insurer, insurer-appointed insurance agent, or insurance
141 agency contracted with or employing insurer-appointed insurance
142 agents.

143 Section 7. Effective January 1, 2015, subsections (2) and
144 (3) are amended, and subsection (4) is added to section
145 626.0428, Florida Statutes, to read:

146 626.0428 Agency personnel powers, duties, and
147 limitations.—

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148 (2) An employee, or an authorized representative located
149 at a designated branch of an agent or agency may not bind
150 insurance coverage unless licensed and appointed as an agent or
151 customer representative.

152 (3) An employee, or an authorized representative located
153 at a designated branch of an agent or agency may not initiate
154 contact with any person for the purpose of soliciting insurance
155 unless licensed and appointed as an agent or customer
156 representative. As to title insurance, an employee of an agent
157 or agency may not initiate contact with any individual proposed
158 insured for the purpose of soliciting title insurance unless
159 licensed as a title insurance agent or exempt from such
160 licensure pursuant to s. 626.8417(4).

161 (4) (a) Each place of business established by an agent or
162 agency, firm, corporation, or association must be in the active
163 full-time charge of a licensed and appointed agent holding the
164 required agent licenses to transact the lines of insurance being
165 handled at the location.

166 (b) Notwithstanding paragraph (a), the licensed agent in
167 charge of an insurance agency may also be the agent in charge of
168 additional branch office locations of the agency if insurance
169 activities requiring licensure as an insurance agent do not
170 occur at any location when an agent is not physically present
171 and unlicensed employees at the location do not engage in
172 insurance activities requiring licensure as an insurance agent
173 or customer representative.

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174 (c) An insurance agency and each branch place of business
175 of an insurance agency shall designate an agent in charge and
176 file the name and license number of the agent in charge and the
177 physical address of the insurance agency location with the
178 department at the department's designated website. The
179 designation of the agent in charge may be changed at the option
180 of the agency. A change of the designated agent in charge is
181 effective upon notice to the department. Notice to the
182 department must be provided within 30 days after such change.

183 (d) For purposes of this subsection, an "agent in charge"
184 is the licensed and appointed agent who is responsible for the
185 supervision of all individuals within an insurance agency
186 location, regardless of whether the agent in charge handles a
187 specific transaction or deals with the general public in the
188 solicitation or negotiation of insurance contracts or the
189 collection or accounting of money.

190 (e) An agent in charge of an insurance agency is
191 accountable for the wrongful acts, misconduct, or violations of
192 this code committed by the licensee or agent or by any person
193 under his or her supervision while acting on behalf of the
194 agency. However, an agent in charge is not criminally liable for
195 any act unless the agent in charge personally committed the act
196 or knew or should have known of the act and of the facts
197 constituting a violation of this chapter.

198 (f) An insurance agency location may not conduct the
199 business of insurance unless an agent in charge is designated

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200 by, and providing services to, the agency at all times. If the
201 agent in charge designated with the department ends their
202 affiliation with the agency for any reason and the agency fails
203 to designate another agent in charge within 30 days as provided
204 in paragraph (c) and such failure continues for 90 days, the
205 agency license shall automatically expire on the 91st day from
206 the date the designated agent in charge ended their affiliation
207 with the agency.

208 Section 8. Effective January 1, 2015, subsection (7) of
209 section 626.112, Florida Statutes, is amended to read:

210 626.112 License and appointment required; agents, customer
211 representatives, adjusters, insurance agencies, service
212 representatives, managing general agents.-

213 (7) (a) An ~~Effective October 1, 2006,~~ no individual, firm,
214 partnership, corporation, association, or ~~any~~ other entity shall
215 not act in its own name or under a trade name, directly or
216 indirectly, as an insurance agency, unless it complies with s.
217 626.172 with respect to possessing an insurance agency license
218 for each place of business at which it engages in an ~~any~~
219 activity that ~~which~~ may be performed only by a licensed
220 insurance agent. However, an insurance agency that is owned and
221 operated by a single licensed agent conducting business in his
222 or her individual name and not employing or otherwise using the
223 services of or appointing other licensees is exempt from the
224 agency licensing requirements of this subsection.

225 (b) A branch place of business that is established by a

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226 licensed agency is considered a branch agency and is not
227 required to be licensed so long as it transacts business under
228 the same name and federal tax identification number as the
229 licensed agency, has designated a licensed agent in charge of
230 the branch location as required by s. 626.0428, and has
231 submitted the address and telephone number of the branch
232 location to the department for inclusion in the licensing record
233 of the licensed agency within 30 days after insurance
234 transactions begin at the branch location ~~Each agency engaged in~~
235 ~~business in this state before January 1, 2003, which is wholly~~
236 ~~owned by insurance agents currently licensed and appointed under~~
237 ~~this chapter, each incorporated agency whose voting shares are~~
238 ~~traded on a securities exchange, each agency designated and~~
239 ~~subject to supervision and inspection as a branch office under~~
240 ~~the rules of the National Association of Securities Dealers, and~~
241 ~~each agency whose primary function is offering insurance as a~~
242 ~~service or member benefit to members of a nonprofit corporation~~
243 ~~may file an application for registration in lieu of licensure in~~
244 ~~accordance with s. 626.172(3). Each agency engaged in business~~
245 ~~before October 1, 2006, shall file an application for licensure~~
246 ~~or registration on or before October 1, 2006.~~

247 (c)1. If an agency is required to be licensed but fails to
248 file an application for licensure in accordance with this
249 section, the department shall impose on the agency an
250 administrative penalty ~~in an amount~~ of up to \$10,000.

251 ~~2.~~ If an agency is eligible for registration but fails to

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252 ~~file an application for registration or an application for~~
253 ~~licensure in accordance with this section, the department shall~~
254 ~~impose on the agency an administrative penalty in an amount of~~
255 ~~up to \$5,000.~~

256 (d) (b) Effective October 1, 2015, the department must
257 automatically convert the registration of an approved a
258 registered insurance agency to shall, as a condition precedent
259 to continuing business, obtain an insurance agency license if
260 the department finds that, with respect to any majority owner,
261 partner, manager, director, officer, or other person who manages
262 or controls the agency, any person has:

263 1. ~~Been found guilty of, or has pleaded guilty or nolo~~
264 ~~contendere to, a felony in this state or any other state~~
265 ~~relating to the business of insurance or to an insurance agency,~~
266 ~~without regard to whether a judgment of conviction has been~~
267 ~~entered by the court having jurisdiction of the cases.~~

268 2. ~~Employed any individual in a managerial capacity or in~~
269 ~~a capacity dealing with the public who is under an order of~~
270 ~~revocation or suspension issued by the department. An insurance~~
271 ~~agency may request, on forms prescribed by the department,~~
272 ~~verification of any person's license status. If a request is~~
273 ~~mailed within 5 working days after an employee is hired, and the~~
274 ~~employee's license is currently suspended or revoked, the agency~~
275 ~~shall not be required to obtain a license, if the unlicensed~~
276 ~~person's employment is immediately terminated.~~

277 3. ~~Operated the agency or permitted the agency to be~~

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278 ~~operated in violation of s. 626.747.~~

279 ~~4. With such frequency as to have made the operation of~~
280 ~~the agency hazardous to the insurance-buying public or other~~
281 ~~persons:~~

282 ~~a. Solicited or handled controlled business. This~~
283 ~~subparagraph shall not prohibit the licensing of any lending or~~
284 ~~financing institution or creditor, with respect to insurance~~
285 ~~only, under credit life or disability insurance policies of~~
286 ~~borrowers from the institutions, which policies are subject to~~
287 ~~part IX of chapter 627.~~

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

291 ~~e. Unlawfully rebated, attempted to unlawfully rebate, or~~
292 ~~unlawfully divided or offered to divide commissions with~~
293 ~~another.~~

294 ~~d. Misrepresented any insurance policy or annuity~~
295 ~~contract, or used deception with regard to any policy or~~
296 ~~contract, done either in person or by any form of dissemination~~
297 ~~of information or advertising.~~

298 ~~e. Violated any provision of this code or any other law~~
299 ~~applicable to the business of insurance in the course of dealing~~
300 ~~under the license.~~

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

302 ~~g. Failed or refused, upon demand, to pay over to any~~
303 ~~insurer he or she represents or has represented any money coming~~

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304 ~~into his or her hands belonging to the insurer.~~

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

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

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

311 ~~k. Engaged in fraudulent or dishonest practices in the~~
312 ~~conduct of business arising out of activities related to~~
313 ~~insurance or the insurance agency.~~

314 ~~l. Demonstrated lack of fitness or trustworthiness to~~
315 ~~engage in the business of insurance arising out of activities~~
316 ~~related to insurance or the insurance agency.~~

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

319 ~~5. Knowingly employed any person who within the preceding~~
320 ~~3 years has had his or her relationship with an agency~~
321 ~~terminated in accordance with paragraph (d).~~

322 ~~6. Willfully circumvented the requirements or prohibitions~~
323 ~~of this code.~~

324 Section 9. Subsections (2), (3), and (4) of section
325 626.172, Florida Statutes, are amended to read:

326 626.172 Application for insurance agency license.—

327 (2) An application for an insurance agency license must
328 ~~shall~~ be signed by an individual required to be listed in
329 paragraph (a) ~~the owner or owners of the agency. If the agency~~

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330 ~~is incorporated, the application shall be signed by the~~
331 ~~president and secretary of the corporation. An insurance agency~~
332 ~~may permit a third party to complete, submit, and sign an~~
333 ~~application on the insurance agency's behalf, but the insurance~~
334 ~~agency is responsible for ensuring that the information on the~~
335 ~~application is true and correct and is accountable for any~~
336 ~~misstatements or misrepresentations. The application for an~~
337 ~~insurance agency license must ~~shall~~ include:~~

338 (a) The name of each ~~majority~~ owner, partner, officer, and
339 director, president, senior vice president, secretary,
340 treasurer, limited liability company member who directs or
341 participates in the management or control of the insurance
342 agency, whether through ownership of voting securities, by
343 contract, by ownership of any agency bank account, or otherwise.

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

346 (c) The name, principal business street address, and valid
347 e-mail address of the insurance agency and the name, address,
348 and e-mail address of the agency's registered agent or person or
349 company authorized to accept service on behalf of the agency ~~its~~
350 principal business address.

351 (d) The physical address ~~location~~ of each branch agency,
352 including its name, e-mail address, and telephone number, and
353 the date that the branch location began transacting insurance
354 ~~office and the name under which each agency office conducts or~~
355 ~~will conduct business.~~

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

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

360 1. A sole proprietor;

361 2. Each individual required to be listed in paragraph (a)
362 partner;

363 3. ~~Each owner of an unincorporated agency;~~

364 4. Each individual owner who directs or participates in
365 the management or control of an incorporated agency whose shares
366 are not traded on a securities exchange;

367 5. ~~The president, senior vice presidents, treasurer,~~
368 ~~secretary, and directors of the agency; and~~

369 6. ~~Any other person who directs or participates in the~~
370 ~~management or control of the agency, whether through the~~
371 ~~ownership of voting securities, by contract, or otherwise.~~

372
373 Fingerprints must be taken by a law enforcement agency or other
374 entity approved by the department and must be accompanied by the
375 fingerprint processing fee specified in s. 624.501. Fingerprints
376 must ~~shall~~ be processed in accordance with s. 624.34. However,
377 fingerprints need not be filed for an ~~any~~ individual who is
378 currently licensed and appointed under this chapter. This
379 paragraph does not apply to corporations whose voting shares are
380 traded on a securities exchange.

381 (g) Such additional information as the department requires

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382 by rule to ascertain the trustworthiness and competence of
383 persons required to be listed on the application and to
384 ascertain that such persons meet the requirements of this code.
385 However, the department may not require that credit or character
386 reports be submitted for persons required to be listed on the
387 application.

388 ~~(3)(h) Beginning October 1, 2005,~~ The department must
389 ~~shall~~ accept the uniform application for nonresident agency
390 licensure. The department may adopt by rule revised versions of
391 the uniform application.

392 ~~(3) The department shall issue a registration as an~~
393 ~~insurance agency to any agency that files a written application~~
394 ~~with the department and qualifies for registration. The~~
395 ~~application for registration shall require the agency to provide~~
396 ~~the same information required for an agency licensed under~~
397 ~~subsection (2), the agent identification number for each owner~~
398 ~~who is a licensed agent, proof that the agency qualifies for~~
399 ~~registration as provided in s. 626.112(7), and any other~~
400 ~~additional information that the department determines is~~
401 ~~necessary in order to demonstrate that the agency qualifies for~~
402 ~~registration. The application must be signed by the owner or~~
403 ~~owners of the agency. If the agency is incorporated, the~~
404 ~~application must be signed by the president and the secretary of~~
405 ~~the corporation. An agent who owns the agency need not file~~
406 ~~fingerprints with the department if the agent obtained a license~~
407 ~~under this chapter and the license is currently valid.~~

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

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

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

420 (4) The department must ~~shall~~ issue a license ~~or~~
421 ~~registration~~ to each agency upon approval of the application,
422 and each agency location must ~~shall~~ display the license ~~or~~
423 ~~registration~~ prominently in a manner that makes it clearly
424 visible to any customer or potential customer who enters the
425 agency location.

426 Section 10. Subsection (6) of section 626.311, Florida
427 Statutes, is renumbered as subsection (7), and a new subsection
428 (6) is added to that section to read:

429 626.311 Scope of license.—

430 (6) An agent who appoints his or her license as an
431 unaffiliated insurance agent may not hold an appointment from an
432 insurer for any license he or she holds; transact, solicit, or
433 service an insurance contract on behalf of an insurer; interfere

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434 with commissions received or to be received by an insurer-
435 appointed insurance agent or an insurance agency contracted with
436 or employing insurer-appointed insurance agents; or receive
437 compensation or any other thing of value from an insurer, an
438 insurer-appointed insurance agent, or an insurance agency
439 contracted with or employing insurer-appointed insurance agents
440 for any transaction or referral occurring after the date of
441 appointment as an unaffiliated insurance agent. An unaffiliated
442 insurance agent may continue to receive commissions on sales
443 that occurred before the date of appointment as an unaffiliated
444 insurance agent if the receipt of such commissions is disclosed
445 when making recommendations or evaluating products for a client
446 that involve products of the entity from which the commissions
447 are received.

448 Section 11. Paragraph (d) of subsection (1) of section
449 626.321, Florida Statutes, is amended to read:

450 626.321 Limited licenses.-

451 (1) The department shall issue to a qualified applicant a
452 license as agent authorized to transact a limited class of
453 business in any of the following categories of limited lines
454 insurance:

455 (d) Motor vehicle rental insurance.-

456 1. License covering only insurance of the risks set forth
457 in this paragraph when offered, sold, or solicited with and
458 incidental to the rental or lease of a motor vehicle and which
459 applies only to the motor vehicle that is the subject of the

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460 lease or rental agreement and the occupants of the motor
461 vehicle:

462 a. Excess motor vehicle liability insurance providing
463 coverage in excess of the standard liability limits provided by
464 the lessor in the lessor's lease to a person renting or leasing
465 a motor vehicle from the licensee's employer for liability
466 arising in connection with the negligent operation of the leased
467 or rented motor vehicle.

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

470 c. Insurance covering the loss of or damage to baggage,
471 personal effects, or travel documents of a person renting or
472 leasing a motor vehicle.

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

476 2. Insurance under a motor vehicle rental insurance
477 license may be issued only if the lease or rental agreement is
478 for no more than 60 days, the lessee is not provided coverage
479 for more than 60 consecutive days per lease period, and the
480 lessee is given written notice that his or her personal
481 insurance policy providing coverage on an owned motor vehicle
482 may provide coverage of such risks and that the purchase of the
483 insurance is not required in connection with the lease or rental
484 of a motor vehicle. If the lease is extended beyond 60 days, the
485 coverage may be extended one time only for a period not to

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486 exceed an additional 60 days. Insurance may be provided to the
487 lessee as an additional insured on a policy issued to the
488 licensee's employer.

489 3. The license may be issued only to the full-time
490 salaried employee of a licensed general lines agent or to a
491 business entity that offers motor vehicles for rent or lease if
492 insurance sales activities authorized by the license are in
493 connection with and incidental to the rental or lease of a motor
494 vehicle.

495 a. A license issued to a business entity that offers motor
496 vehicles for rent or lease encompasses each office, branch
497 office, employee, an authorized representative located at a
498 designated branch, or place of business making use of the
499 entity's business name in order to offer, solicit, and sell
500 insurance pursuant to this paragraph.

501 b. The application for licensure must list the name,
502 address, and phone number for each office, branch office, or
503 place of business that is to be covered by the license. The
504 licensee shall notify the department of the name, address, and
505 phone number of any new location that is to be covered by the
506 license before the new office, branch office, or place of
507 business engages in the sale of insurance pursuant to this
508 paragraph. The licensee must notify the department within 30
509 days after closing or terminating an office, branch office, or
510 place of business. Upon receipt of the notice, the department
511 shall delete the office, branch office, or place of business

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512 from the license.

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

515 Section 12. Effective January 1, 2015, section 626.382,
516 Florida Statutes, is amended to read:

517 626.382 Continuation, expiration of license; insurance
518 agencies.—The license of an ~~any~~ insurance agency ~~shall be issued~~
519 ~~for a period of 3 years and~~ shall continue in force until
520 canceled, suspended, or ~~revoked,~~ or until it is otherwise
521 terminated or becomes expired by operation of law. ~~A license may~~
522 ~~be renewed by submitting a renewal request to the department on~~
523 ~~a form adopted by department rule.~~

524 Section 13. Section 626.601, Florida Statutes, is amended
525 to read:

526 626.601 Improper conduct; inquiry; fingerprinting.—

527 (1) The department or office may, upon its own motion or
528 upon a written complaint signed by any interested person and
529 filed with the department or office, inquire into any alleged
530 improper conduct of any licensed, approved, or certified
531 licensee, insurance agency, agent, adjuster, service
532 representative, managing general agent, customer representative,
533 title insurance agent, title insurance agency, mediator, neutral
534 evaluator, navigator, continuing education course provider,
535 instructor, school official, or monitor group under this code.
536 The department or office may thereafter initiate an
537 investigation of any such individual or entity ~~licensee~~ if it

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538 has reasonable cause to believe that the individual or entity
539 ~~licensee~~ has violated any provision of the insurance code.
540 During the course of its investigation, the department or office
541 shall contact the individual or entity ~~licensee~~ being
542 investigated unless it determines that contacting such
543 individual or entity ~~person~~ could jeopardize the successful
544 completion of the investigation or cause injury to the public.

545 (2) In the investigation by the department or office of
546 the alleged misconduct, the individual or entity ~~licensee~~ shall,
547 whenever so required by the department or office, cause the
548 individual's or entity's ~~his or her~~ books and records to be open
549 for inspection for the purpose of such investigation ~~inquiries~~.

550 (3) ~~The~~ Complaints against any individual or entity
551 ~~licensee~~ may be informally alleged and are not required to
552 include ~~need not be in any such~~ language ~~as is~~ necessary to
553 charge a crime on an indictment or information.

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

557 (5) If the department or office, after investigation, has
558 reason to believe that an individual ~~a licensee~~ may have been
559 found guilty of or pleaded guilty or nolo contendere to a felony
560 or a crime related to the business of insurance in this or any
561 other state or jurisdiction, the department or office may
562 require the individual ~~licensee~~ to file with the department or
563 office a complete set of his or her fingerprints, which shall be

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564 accompanied by the fingerprint processing fee set forth in s.
565 624.501. The fingerprints shall be taken by an authorized law
566 enforcement agency or other department-approved entity.

567 (6) The complaint and any information obtained pursuant to
568 the investigation by the department or office are confidential
569 and are exempt from ~~the provisions of~~ s. 119.07, unless the
570 department or office files a formal administrative complaint,
571 emergency order, or consent order against the individual or
572 entity licensee. ~~Nothing in~~ This subsection does not ~~shall be~~
573 ~~construed to~~ prevent the department or office from disclosing
574 the complaint or such information as it deems necessary to
575 conduct the investigation, to update the complainant as to the
576 status and outcome of the complaint, or to share such
577 information with any law enforcement agency or other regulatory
578 body.

579 Section 14. Effective January 1, 2015, section 626.747,
580 Florida Statutes, is repealed.

581 Section 15. Effective January 1, 2015, subsection (1) of
582 section 626.8411, Florida Statutes, is amended to read:

583 626.8411 Application of Florida Insurance Code provisions
584 to title insurance agents or agencies.—

585 (1) The following provisions ~~of part II~~ applicable to
586 general lines agents or agencies also apply to title insurance
587 agents or agencies:

588 (a) Section 626.734, relating to liability of certain
589 agents.

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

592 (c) Section 626.749, relating to place of business in
593 residence.

594 (d) Section 626.753, relating to sharing of commissions.

595 (e) Section 626.754, relating to rights of agent following
596 termination of appointment.

597 Section 16. Paragraph (c) of subsection (2) and subsection
598 (3) of section 626.8805, Florida Statutes, are amended to read:
599 626.8805 Certificate of authority to act as
600 administrator.—

601 (2) The administrator shall file with the office an
602 application for a certificate of authority upon a form to be
603 adopted by the commission and furnished by the office, which
604 application shall include or have attached the following
605 information and documents:

606 (c) The names, addresses, official positions, and
607 professional qualifications of the individuals employed or
608 retained by the administrator and who are responsible for the
609 conduct of the affairs of the administrator, including all
610 members of the board of directors, board of trustees, executive
611 committee, or other governing board or committee, and the
612 principal officers in the case of a corporation or, the partners
613 or members in the case of a partnership or association, ~~and any~~
614 ~~other person who exercises control or influence over the affairs~~
615 of the administrator.

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616 (3) The applicant shall make available for inspection by
617 the office copies of all contracts relating to services provided
618 by the administrator to ~~with~~ insurers or other persons using
619 ~~utilizing~~ the services of the administrator.

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

622 626.8817 Responsibilities of insurance company with
623 respect to administration of coverage insured.—

624 (1) If an insurer uses the services of an administrator,
625 the insurer is responsible for determining the benefits, premium
626 rates, underwriting criteria, and claims payment procedures
627 applicable to the coverage and for securing reinsurance, if any.
628 The rules pertaining to these matters shall be provided, in
629 writing, by the insurer or its designee to the administrator.
630 The responsibilities of the administrator as to any of these
631 matters shall be set forth in a ~~the~~ written agreement binding
632 upon ~~between~~ the administrator and the insurer.

633 (3) In cases in which an administrator administers
634 benefits for more than 100 certificateholders on behalf of an
635 insurer, the insurer shall, at least semiannually, conduct a
636 review of the operations of the administrator. At least one such
637 review must be an onsite audit of the operations of the
638 administrator. The insurer may contract with a qualified third
639 party to conduct such review.

640 Section 18. Subsections (1) and (4) of section 626.882,
641 Florida Statutes, is amended to read:

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642 626.882 Agreement between administrator and insurer;
643 required provisions; maintenance of records.—

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

648 (4) If a policy is issued to a trustee or trustees, a copy
649 of the trust agreement and any amendments to that agreement
650 shall be furnished to the insurer or its designee by the
651 administrator and shall be retained as part of the official
652 records of both the administrator and the insurer for the
653 duration of the policy and for 5 years thereafter.

654 Section 19. Subsections (3), (4), and (5) of section
655 626.883, Florida Statutes, are amended to read:

656 626.883 Administrator as intermediary; collections held in
657 fiduciary capacity; establishment of account; disbursement;
658 payments on behalf of insurer.—

659 (3) If charges or premiums deposited in a fiduciary
660 account have been collected on behalf of or for more than one
661 insurer, the administrator shall keep records clearly recording
662 the deposits in and withdrawals from such account on behalf of
663 or for each insurer. The administrator shall, upon request of an
664 insurer or its designee, furnish such insurer or designee with
665 copies of records pertaining to deposits and withdrawals on
666 behalf of or for such insurer.

667 (4) The administrator may not pay any claim by withdrawals

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668 from a fiduciary account. Withdrawals from such account shall be
669 made as provided in the written agreement required under ss.
670 626.8817 and 626.882 ~~between the administrator and the insurer~~
671 for any of the following:

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

673 (b) Deposit in an account maintained in the name of such
674 insurer.

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

677 (d) Payment to a group policyholder for remittance to the
678 insurer entitled to such remittance.

679 (e) Payment to the administrator of the commission, fees,
680 or charges of the administrator.

681 (f) Remittance of return premium to the person or persons
682 entitled to such return premium.

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

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

688 626.884 Maintenance of records by administrator; access;
689 confidentiality.-

690 (3) The insurer shall retain the right of continuing
691 access to books and records maintained by the administrator
692 sufficient to permit the insurer to fulfill all of its
693 contractual obligations to insured persons, subject to any

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694 restrictions in the written agreement pertaining to ~~between the~~
695 ~~insurer and the administrator on~~ the proprietary rights of the
696 parties in such books and records.

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

699 626.89 Annual financial statement and filing fee; notice
700 of change of ownership.—

701 (1) Each authorized administrator shall file with the
702 office a full and true statement of its financial condition,
703 transactions, and affairs. The statement shall be filed annually
704 on or before April ~~March~~ 1 or within such extension of time
705 therefor as the office for good cause may have granted and shall
706 be for the preceding calendar year or for the preceding fiscal
707 year if the administrator's accounting is on a fiscal-year
708 basis. The statement shall be in such form and contain such
709 matters as the commission prescribes and shall be verified by at
710 least two officers of such administrator. ~~An administrator whose~~
711 ~~sole stockholder is an association representing health care~~
712 ~~providers which is not an affiliate of an insurer, an~~
713 ~~administrator of a pooled governmental self-insurance program,~~
714 ~~or an administrator that is a university may submit the~~
715 ~~preceding fiscal year's statement within 2 months after its~~
716 ~~fiscal year end.~~

717 (2) Each authorized administrator shall also file an
718 audited financial statement performed by an independent
719 certified public accountant. The audited financial statement

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720 shall be filed with the office on or before July ~~June~~ 1 for the
721 preceding calendar or fiscal year ~~ending December 31~~. An
722 ~~administrator whose sole stockholder is an association~~
723 ~~representing health care providers which is not an affiliate of~~
724 ~~an insurer, an administrator of a pooled governmental self-~~
725 ~~insurance program, or an administrator that is a university may~~
726 ~~submit the preceding fiscal year's audited financial statement~~
727 ~~within 5 months after the end of its fiscal year.~~ An audited
728 financial statement prepared on a consolidated basis must
729 include a columnar consolidating or combining worksheet that
730 must be filed with the statement and must comply with the
731 following:

- 732 (a) Amounts shown on the consolidated audited financial
733 statement must be shown on the worksheet;
- 734 (b) Amounts for each entity must be stated separately; and
- 735 (c) Explanations of consolidating and eliminating entries
736 must be included.

737 Section 22. Section 626.931, Florida Statutes, is amended
738 to read:

739 626.931 ~~Agent affidavit and~~ Insurer reporting
740 requirements.—

741 ~~(1) Each surplus lines agent shall on or before the 45th~~
742 ~~day following each calendar quarter file with the Florida~~
743 ~~Surplus Lines Service Office an affidavit, on forms as~~
744 ~~prescribed and furnished by the Florida Surplus Lines Service~~
745 ~~Office, stating that all surplus lines insurance transacted by~~

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746 ~~him or her during such calendar quarter has been submitted to~~
747 ~~the Florida Surplus Lines Service Office as required.~~

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

751 ~~(1)(3)~~ Each foreign insurer accepting premiums shall, on
752 or before the end of the month following each calendar quarter,
753 file with the Florida Surplus Lines Service Office a verified
754 report of all surplus lines insurance transacted by such insurer
755 for insurance risks located in this state during such calendar
756 quarter.

757 ~~(2)(4)~~ Each alien insurer accepting premiums shall, on or
758 before June 30 of each year, file with the Florida Surplus Lines
759 Service Office a verified report of all surplus lines insurance
760 transacted by such insurer for insurance risks located in this
761 state during the preceding calendar year.

762 ~~(3)(5)~~ The department may waive the filing requirements
763 described in subsections ~~(1) (3)~~ and ~~(2) (4)~~.

764 ~~(4)(6)~~ Each insurer's report and supporting information
765 shall be in a computer-readable format as determined by the
766 Florida Surplus Lines Service Office or shall be submitted on
767 forms prescribed by the Florida Surplus Lines Service Office and
768 shall show for each applicable agent:

769 (a) A listing of all policies, certificates, cover notes,
770 or other forms of confirmation of insurance coverage or any
771 substitutions thereof or endorsements thereto and the

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772 identifying number; and

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

775 Section 23. Paragraph (a) of subsection (2) of section
776 626.932, Florida Statutes, is amended to read:

777 626.932 Surplus lines tax.—

778 (2)(a) The surplus lines agent shall make payable to the
779 department the tax related to each calendar quarter's business
780 as reported to the Florida Surplus Lines Service Office, and
781 remit the tax to the Florida Surplus Lines Service Office on or
782 before the 45th day following each calendar quarter ~~at the same~~
783 ~~time as provided for the filing of the quarterly affidavit,~~
784 ~~under s. 626.931.~~ The Florida Surplus Lines Service Office shall
785 forward to the department the taxes and any interest collected
786 pursuant to paragraph (b), within 10 days after ~~of~~ receipt.

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

789 626.935 Suspension, revocation, or refusal of surplus
790 lines agent's license.—

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

795 (a) Removal of the licensee's office from the licensee's
796 state of residence.

797 (b) Removal of the accounts and records of his or her

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798 surplus lines business from this state or the licensee's state
799 of residence during the period when such accounts and records
800 are required to be maintained under s. 626.930.

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

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

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

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

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

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

813 (h)~~(i)~~ ~~For~~ Any other applicable cause for which the
814 license of a general lines agent could be suspended, revoked, or
815 refused under s. 626.611 or s. 626.621.

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

818 626.936 Failure to file reports or pay tax or service fee;
819 administrative penalty.—

820 (1) A ~~Any~~ licensed surplus lines agent who neglects to
821 file a report ~~or an affidavit~~ in the form and within the time
822 required or provided for in the Surplus Lines Law may be fined
823 up to \$50 per day for each day the neglect continues, beginning

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824 the day after the report ~~or affidavit~~ was due until the date the
825 report ~~or affidavit~~ is received. All sums collected under this
826 section shall be deposited into the Insurance Regulatory Trust
827 Fund.

828 Section 26. Paragraph (b) of subsection (2) of section
829 627.062, Florida Statutes, is amended to read:

830 627.062 Rate standards.—

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

832 (b) Upon receiving a rate filing, the office shall review
833 the filing to determine whether ~~if~~ a rate is excessive,
834 inadequate, or unfairly discriminatory. In making that
835 determination, the office shall, in accordance with generally
836 accepted and reasonable actuarial techniques, consider the
837 following factors:

838 1. Past and prospective loss experience within and without
839 this state.

840 2. Past and prospective expenses.

841 3. The degree of competition among insurers for the risk
842 insured.

843 4. Investment income reasonably expected by the insurer,
844 consistent with the insurer's investment practices, from
845 investable premiums anticipated in the filing, plus any other
846 expected income from currently invested assets representing the
847 amount expected on unearned premium reserves and loss reserves.

848 The commission may adopt rules using reasonable techniques of
849 actuarial science and economics to specify the manner in which

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850 insurers calculate investment income attributable to classes of
851 insurance written in this state and the manner in which
852 investment income is used to calculate insurance rates. Such
853 manner must contemplate allowances for an underwriting profit
854 factor and full consideration of investment income that ~~which~~
855 produce a reasonable rate of return; however, investment income
856 from invested surplus may not be considered.

857 5. The reasonableness of the judgment reflected in the
858 filing.

859 6. Dividends, savings, or unabsorbed premium deposits
860 allowed or returned to Florida policyholders, members, or
861 subscribers.

862 7. The adequacy of loss reserves.

863 8. The cost of reinsurance. The office may not disapprove
864 a rate as excessive solely due to the insurer's ~~insurer~~ having
865 obtained catastrophic reinsurance to cover the insurer's
866 estimated 250-year probable maximum loss or any lower level of
867 loss.

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

870 10. Conflagration and catastrophe hazards, if applicable.

871 11. Projected hurricane losses, if applicable, which must
872 be estimated using a model or method, or a straight average of
873 model results or output ranges, independently found to be
874 acceptable or reliable by the Florida Commission on Hurricane
875 Loss Projection Methodology, and as further provided in s.

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876 627.0628.

877 12. A reasonable margin for underwriting profit and
878 contingencies.

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

880 14. Other relevant factors that affect the frequency or
881 severity of claims or expenses.

882 Section 27. Paragraph (d) of subsection (3) of section
883 627.0628, Florida Statutes, is amended to read:

884 627.0628 Florida Commission on Hurricane Loss Projection
885 Methodology; public records exemption; public meetings
886 exemption.—

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

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

893 627.062. An insurer shall employ and may not modify or adjust
894 models found by the commission to be accurate or reliable in
895 determining probable maximum loss levels pursuant to paragraph
896 (b) with respect to a rate filing under s. 627.062 made more
897 than 180 ~~60~~ days after the commission has made such findings.

898 This paragraph does not prohibit an insurer from using a
899 straight average of model results or output ranges or using
900 straight averages for the purposes of a rate filing under s.
901 627.062.

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902 Section 28. Subsection (8) of section 627.0651, Florida
903 Statutes, is amended to read:

904 627.0651 Making and use of rates for motor vehicle
905 insurance.—

906 (8) Rates are not unfairly discriminatory if averaged
907 broadly among members of a group; nor are rates unfairly
908 discriminatory even though they are lower than rates for
909 nonmembers of the group. However, such rates are unfairly
910 discriminatory if they are not actuarially measurable and
911 credible and sufficiently related to actual or expected loss and
912 expense experience of the group so as to ensure ~~assure~~ that
913 nonmembers of the group are not unfairly discriminated against.
914 New programs or changes to existing programs that result in at
915 least Use of a single United States Postal Service zip code
916 being used as a rating territory shall be deemed submitted
917 pursuant to paragraph (1) (a) unfairly discriminatory. Any rating
918 territory shall incorporate sufficient actual or expected loss
919 and loss adjustment expense experience so as to be actuarially
920 measurable and credible and not unfairly discriminatory.

921 Section 29. Subsections (2), (3), and (4) of section
922 627.072, Florida Statutes, are renumbered as subsections (3),
923 (4), and (5), respectively, and a new subsection (2) is added to
924 that section to read:

925 627.072 Making and use of rates.—

926 (2) A retrospective rating plan may contain a provision
927 that allows for negotiation of a premium between the employer

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928 and the insurer for employers having exposure in more than one
929 state and an estimated annual standard premium in this state of
930 \$175,000 and an estimated annual countrywide standard premium of
931 \$1 million or more for workers' compensation.

932 Section 30. Subsection (2) of section 627.281, Florida
933 Statutes, is amended to read:

934 627.281 Appeal from rating organization; workers'
935 compensation and employer's liability insurance filings.—

936 (2) If such appeal is based upon the failure of the rating
937 organization to make a filing on behalf of such member or
938 subscriber which is based on a system of expense provisions
939 which differs, in accordance with the right granted in s.
940 627.072(3) ~~627.072(2)~~, from the system of expense provisions
941 included in a filing made by the rating organization, the office
942 shall, if it grants the appeal, order the rating organization to
943 make the requested filing for use by the appellant. In deciding
944 such appeal, the office shall apply the applicable standards set
945 forth in ss. 627.062 and 627.072.

946 Section 31. Paragraph (h) of subsection (5) of section
947 627.311, Florida Statutes, is amended to read:

948 627.311 Joint underwriters and joint reinsurers; public
949 records and public meetings exemptions.—

950 (5)

951 (h) Any premium or assessments collected by the plan in
952 excess of the amount necessary to fund projected ultimate
953 incurred losses and expenses of the plan and not paid to

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954 insureds of the plan in conjunction with loss prevention or
955 dividend programs shall be retained by the plan for future use.
956 Any state funds received by the plan in excess of the amount
957 necessary to fund deficits in subplan D or any tier shall be
958 returned to the state. Any dividend that cannot be paid to a
959 former insured of the plan because the former insured cannot be
960 reasonably located shall be retained by the plan for future use.

961 Section 32. Subsection (9) of section 627.3518, Florida
962 Statutes, is amended to read:

963 627.3518 Citizens Property Insurance Corporation
964 policyholder eligibility clearinghouse program.—The purpose of
965 this section is to provide a framework for the corporation to
966 implement a clearinghouse program by January 1, 2014.

967 (9) The 45-day notice of nonrenewal requirement set forth
968 in s. 627.4133(2)(b)4. ~~627.4133(2)(b)4.b.~~ applies when a policy
969 is nonrenewed by the corporation because the risk has received
970 an offer of coverage pursuant to this section which renders the
971 risk ineligible for coverage by the corporation.

972 Section 33. Section 627.3519, Florida Statutes, is amended
973 to read:

974 627.3519 Annual report of aggregate net probable maximum
975 losses, financing options, and potential assessments.—No later
976 than February 1 of each year, the Florida Hurricane Catastrophe
977 Fund and Citizens Property Insurance Corporation Financial
978 ~~Services Commission~~ shall provide to the Legislature and the
979 Financial Services Commission a report of their respective ~~the~~

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980 aggregate net probable maximum losses, financing options, and
981 potential assessments ~~of the Florida Hurricane Catastrophe Fund~~
982 ~~and Citizens Property Insurance Corporation~~. The report of the
983 fund and the corporation must include their ~~the~~ respective 50-
984 year, 100-year, and 250-year probable maximum losses ~~of the fund~~
985 ~~and the corporation~~; analysis of all reasonable financing
986 strategies for each such probable maximum loss, including the
987 amount and term of debt instruments; specification of the
988 percentage assessments that would be needed to support each of
989 the financing strategies; and calculations of the aggregate
990 assessment burden on Florida property and casualty policyholders
991 for each of the probable maximum losses. ~~The commission shall~~
992 ~~require the fund and the corporation to provide the commission~~
993 ~~with such data and analysis as the commission considers~~
994 ~~necessary to prepare the report.~~

995 Section 34. Section 627.409, Florida Statutes, is amended
996 to read:

997 627.409 Representations in applications; warranties.—

998 (1) Any statement or description made by or on behalf of
999 an insured or annuitant in an application for an insurance
1000 policy or annuity contract, or in negotiations for a policy or
1001 contract, is a representation and ~~is~~ not a warranty. Except as
1002 provided in subsection (3), a ~~A~~ misrepresentation, omission,
1003 concealment of fact, or incorrect statement may prevent recovery
1004 under the contract or policy only if any of the following apply:

1005 (a) The misrepresentation, omission, concealment, or

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1006 statement is fraudulent or is material ~~either~~ to the acceptance
1007 of the risk or to the hazard assumed by the insurer.

1008 (b) If the true facts had been known to the insurer
1009 pursuant to a policy requirement or other requirement, the
1010 insurer in good faith would not have issued the policy or
1011 contract, would not have issued it at the same premium rate,
1012 would not have issued a policy or contract in as large an
1013 amount, or would not have provided coverage with respect to the
1014 hazard resulting in the loss.

1015 (2) A breach or violation by the insured of a any
1016 warranty, condition, or provision of a any wet marine or
1017 transportation insurance policy, contract of insurance,
1018 endorsement, or application ~~therefor~~ does not void the policy or
1019 contract, or constitute a defense to a loss thereon, unless such
1020 breach or violation increased the hazard by any means within the
1021 control of the insured.

1022 (3) For residential property insurance, if a policy or
1023 contract has been in effect for more than 90 days, a claim filed
1024 by the insured cannot be denied based on credit information
1025 available in public records.

1026 Section 35. Paragraph (b) of subsection (2) of section
1027 627.4133, Florida Statutes, is amended to read:

1028 627.4133 Notice of cancellation, nonrenewal, or renewal
1029 premium.—

1030 (2) With respect to any personal lines or commercial
1031 residential property insurance policy, including, but not

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1032 limited to, any homeowner's, mobile home owner's, farmowner's,
1033 condominium association, condominium unit owner's, apartment
1034 building, or other policy covering a residential structure or
1035 its contents:

1036 (b) The insurer shall give the first-named insured written
1037 notice of nonrenewal, cancellation, or termination at least 120
1038 ~~100~~ days before the effective date of the nonrenewal,
1039 cancellation, or termination. ~~However, the insurer shall give at~~
1040 ~~least 100 days' written notice, or written notice by June 1,~~
1041 ~~whichever is earlier, for any nonrenewal, cancellation, or~~
1042 ~~termination that would be effective between June 1 and November~~
1043 ~~30.~~ The notice must include the reason or reasons for the
1044 nonrenewal, cancellation, or termination, except that:

1045 ~~1. The insurer shall give the first-named insured written~~
1046 ~~notice of nonrenewal, cancellation, or termination at least 120~~
1047 ~~days prior to the effective date of the nonrenewal,~~
1048 ~~cancellation, or termination for a first-named insured whose~~
1049 ~~residential structure has been insured by that insurer or an~~
1050 ~~affiliated insurer for at least a 5-year period immediately~~
1051 ~~prior to the date of the written notice.~~

1052 ~~1.2.~~ If cancellation is for nonpayment of premium, at
1053 least 10 days' written notice of cancellation accompanied by the
1054 reason therefor must be given. As used in this subparagraph, the
1055 term "nonpayment of premium" means failure of the named insured
1056 to discharge when due her or his obligations for ~~in connection~~
1057 ~~with~~ the payment of premiums on a policy or any installment of

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1058 such premium, whether the premium is payable directly to the
1059 insurer or its agent or indirectly under any premium finance
1060 plan or extension of credit, or failure to maintain membership
1061 in an organization if such membership is a condition precedent
1062 to insurance coverage. The term also means the failure of a
1063 financial institution to honor an insurance applicant's check
1064 after delivery to a licensed agent for payment of a premium,
1065 even if the agent has previously delivered or transferred the
1066 premium to the insurer. If a dishonored check represents the
1067 initial premium payment, the contract and all contractual
1068 obligations are void ab initio unless the nonpayment is cured
1069 within the earlier of 5 days after actual notice by certified
1070 mail is received by the applicant or 15 days after notice is
1071 sent to the applicant by certified mail or registered mail, ~~and~~
1072 If the contract is void, any premium received by the insurer
1073 from a third party must be refunded to that party in full.

1074 ~~2.3.~~ If ~~such~~ cancellation or termination occurs during the
1075 first 90 days the insurance is in force and the insurance is
1076 canceled or terminated for reasons other than nonpayment of
1077 premium, at least 20 days' written notice of cancellation or
1078 termination accompanied by the reason therefor must be given
1079 unless there has been a material misstatement or
1080 misrepresentation or failure to comply with the underwriting
1081 requirements established by the insurer.

1082 3. After the policy has been in effect for 90 days, the
1083 policy may not be canceled by the insurer unless there has been

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1084 a material misstatement, a nonpayment of premium, a failure to
1085 comply with underwriting requirements established by the insurer
1086 within 90 days after the date of effectuation of coverage, a
1087 substantial change in the risk covered by the policy, or the
1088 cancellation is for all insureds under such policies for a given
1089 class of insureds. This paragraph does not apply to individually
1090 rated risks that have a policy term of less than 90 days.

1091 4. After a policy or contract has been in effect for more
1092 than 90 days, the insurer may not cancel or terminate the policy
1093 or contract based on credit information available in public
1094 records.

1095 ~~4. The requirement for providing written notice by June 1~~
1096 ~~of any nonrenewal that would be effective between June 1 and~~
1097 ~~November 30 does not apply to the following situations, but the~~
1098 ~~insurer remains subject to the requirement to provide such~~
1099 ~~notice at least 100 days before the effective date of~~
1100 ~~nonrenewal:~~

1101 ~~a. A policy that is nonrenewed due to a revision in the~~
1102 ~~coverage for sinkhole losses and catastrophic ground cover~~
1103 ~~collapse pursuant to s. 627.706.~~

1104 ~~5.b.~~ A policy that is nonrenewed by Citizens Property
1105 Insurance Corporation, pursuant to s. 627.351(6), for a policy
1106 that has been assumed by an authorized insurer offering
1107 replacement coverage to the policyholder is exempt from the
1108 notice requirements of paragraph (a) and this paragraph. In such
1109 cases, the corporation must give the named insured written

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1110 notice of nonrenewal at least 45 days before the effective date
1111 of the nonrenewal.

1112

1113 ~~After the policy has been in effect for 90 days, the policy may~~
1114 ~~not be canceled by the insurer unless there has been a material~~
1115 ~~misstatement, a nonpayment of premium, a failure to comply with~~
1116 ~~underwriting requirements established by the insurer within 90~~
1117 ~~days after the date of effectuation of coverage, or a~~
1118 ~~substantial change in the risk covered by the policy or if the~~
1119 ~~cancellation is for all insureds under such policies for a given~~
1120 ~~class of insureds. This paragraph does not apply to individually~~
1121 ~~rated risks having a policy term of less than 90 days.~~

1122 6.5. Notwithstanding any other provision of law, an
1123 insurer may cancel or nonrenew a property insurance policy after
1124 at least 45 days' notice if the office finds that the early
1125 cancellation of some or all of the insurer's policies is
1126 necessary to protect the best interests of the public or
1127 policyholders and the office approves the insurer's plan for
1128 early cancellation or nonrenewal of some or all of its policies.
1129 The office may base such finding upon the financial condition of
1130 the insurer, lack of adequate reinsurance coverage for hurricane
1131 risk, or other relevant factors. The office may condition its
1132 finding on the consent of the insurer to be placed under
1133 administrative supervision pursuant to s. 624.81 or to the
1134 appointment of a receiver under chapter 631.

1135 7.6. A policy covering both a home and a motor vehicle may

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1136 be nonrenewed for any reason applicable to ~~either~~ the property
1137 or motor vehicle insurance after providing 90 days' notice.

1138 Section 36. Subsection (1) of section 627.4137, Florida
1139 Statutes, is amended to read:

1140 627.4137 Disclosure of certain information required.—

1141 (1) Each insurer that provides ~~which does~~ or may provide
1142 liability insurance coverage to pay all or a portion of a ~~any~~
1143 claim that ~~which~~ might be made shall provide, within 30 days
1144 after ~~of~~ the written request of the claimant, a statement, under
1145 oath, of a corporate officer or the insurer's claims manager, ~~or~~
1146 superintendent, or licensed company adjuster setting forth the
1147 following information with regard to each known policy of
1148 insurance, including excess or umbrella insurance:

1149 (a) The name of the insurer.

1150 (b) The name of each insured.

1151 (c) The limits of the liability coverage.

1152 (d) A statement of any policy or coverage defense that the
1153 ~~which such~~ insurer reasonably believes is available to the ~~such~~
1154 insurer at the time of filing such statement.

1155 (e) A copy of the policy.

1156
1157 In addition, the insured, or her or his insurance agent, upon
1158 written request of the claimant or the claimant's attorney,
1159 shall disclose the name and coverage of each known insurer to
1160 the claimant and shall forward such request for information as
1161 required by this subsection to all affected insurers. The

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1162 insurer shall then supply the information required in this
1163 subsection to the claimant within 30 days after ~~of~~ receipt of
1164 such request.

1165 Section 37. Subsection (1) of section 627.421, Florida
1166 Statutes, is amended to read:

1167 627.421 Delivery of policy.—

1168 (1) Subject to the insurer's requirement as to payment of
1169 premium, every policy shall be mailed, delivered, or
1170 electronically transmitted to the insured or to the person
1171 entitled thereto not later than 60 days after the effectuation
1172 of coverage. Notwithstanding any other provision of law, an
1173 insurer may allow a policyholder of personal lines insurance to
1174 affirmatively elect delivery of the policy documents, including,
1175 but not limited to, policies, endorsements, notices, or
1176 documents, by electronic means in lieu of delivery by mail.
1177 Electronic transmission of a policy for commercial risks,
1178 including, but not limited to, workers' compensation and
1179 employers' liability, commercial automobile liability,
1180 commercial automobile physical damage, commercial lines
1181 residential property, commercial nonresidential property, farm
1182 owners' insurance, and the types of commercial lines risks set
1183 forth in s. 627.062(3)(d), constitutes ~~shall constitute~~ delivery
1184 to the insured or to the person entitled to delivery, unless the
1185 insured or the person entitled to delivery communicates to the
1186 insurer in writing or electronically that he or she does not
1187 agree to delivery by electronic means. Electronic transmission

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1188 shall include a notice to the insured or to the person entitled
1189 to delivery of a policy of his or her right to receive the
1190 policy via United States mail rather than via electronic
1191 transmission. A paper copy of the policy shall be provided to
1192 the insured or to the person entitled to delivery at his or her
1193 request.

1194 Section 38. Subsection (2) of section 627.43141, Florida
1195 Statutes, is amended to read:

1196 627.43141 Notice of change in policy terms.—

1197 (2) A renewal policy may contain a change in policy terms.
1198 If a renewal policy contains ~~does contain~~ such change, the
1199 insurer must give the named insured written notice of the
1200 change, which may ~~must~~ be enclosed along with the written notice
1201 of renewal premium required by ss. 627.4133 and 627.728 or be
1202 sent in a separate notice that complies with the nonrenewal
1203 mailing time requirement for that particular line of business.
1204 The insurer must also provide a sample copy of the notice to the
1205 insured's insurance agent before or at the same time that notice
1206 is given to the insured. Such notice shall be entitled "Notice
1207 of Change in Policy Terms."

1208 Section 39. Section 627.4553, Florida Statutes, is created
1209 to read:

1210 627.4553 Recommendations to surrender.—If an insurance
1211 agent recommends the surrender of an annuity or life insurance
1212 policy containing a cash value and does not recommend that the
1213 proceeds from the surrender be used to fund or purchase another

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1214 annuity or life insurance policy, before execution of the
1215 surrender, the insurance agent, or the insurance company if no
1216 agent is involved, shall provide, on a form that satisfies the
1217 requirements of the rule adopted by the department, information
1218 relating to the annuity or policy to be surrendered. Such
1219 information shall include but is not limited to the amount of
1220 any surrender charge, the loss of any minimum interest rate
1221 guarantees, the amount of any tax consequences resulting from
1222 the transaction, the amount of any forfeited death benefit, and
1223 the value of any other investment performance guarantees being
1224 forfeited as a result of the transaction. This section also
1225 applies to a person performing insurance agent activities
1226 pursuant to an exemption from licensure under this part.

1227 Section 40. Paragraph (b) of subsection (4) of section
1228 627.7015, Florida Statutes, is amended to read:

1229 627.7015 Alternative procedure for resolution of disputed
1230 property insurance claims.—

1231 (4) The department shall adopt by rule a property
1232 insurance mediation program to be administered by the department
1233 or its designee. The department may also adopt special rules
1234 which are applicable in cases of an emergency within the state.
1235 The rules shall be modeled after practices and procedures set
1236 forth in mediation rules of procedure adopted by the Supreme
1237 Court. The rules shall provide for:

1238 (b) Qualifications, denial of application, suspension,
1239 revocation of approval, and other penalties for ~~of~~ mediators as

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1240 provided in s. 627.745 and in the Florida Rules of Certified and
1241 Court Appointed Mediators, ~~and for such other individuals as are~~
1242 ~~qualified by education, training, or experience as the~~
1243 ~~department determines to be appropriate.~~

1244 Section 41. Section 627.70151, Florida Statutes, is
1245 created to read:

1246 627.70151 Appraisal; conflicts of interest.—An insurer
1247 that offers residential coverage, as defined in s. 627.4025, or
1248 a policyholder that uses an appraisal clause in the property
1249 insurance contract to establish a process of estimating or
1250 evaluating the amount of the loss through the use of an
1251 impartial umpire may challenge the umpire's impartiality and
1252 disqualify the proposed umpire only if:

1253 (1) A familial relationship within the third degree exists
1254 between the umpire and any party or a representative of any
1255 party;

1256 (2) The umpire has previously represented any party or a
1257 representative of any party in a professional capacity in the
1258 same or a substantially related matter;

1259 (3) The umpire has represented another person in a
1260 professional capacity on the same or a substantially related
1261 matter, which includes the claim, same property, or an adjacent
1262 property and that other person's interests are materially
1263 adverse to the interests of any party; or

1264 (4) The umpire has worked as an employer or employee of
1265 any party within the preceding 5 years.

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1266 Section 42. Paragraph (c) of subsection (2) of section
1267 627.706, Florida Statutes, is amended to read:

1268 627.706 Sinkhole insurance; catastrophic ground cover
1269 collapse; definitions.—

1270 (2) As used in ss. 627.706-627.7074, and as used in
1271 connection with any policy providing coverage for a catastrophic
1272 ground cover collapse or for sinkhole losses, the term:

1273 (c) "Neutral evaluator" means a professional engineer or a
1274 professional geologist who has completed a course of study in
1275 alternative dispute resolution designed or approved by the
1276 department for use in the neutral evaluation process, ~~and~~ who is
1277 determined by the department to be fair and impartial, and who
1278 is not otherwise ineligible for certification as provided in s.
1279 627.7074.

1280 Section 43. Subsections (3), (7), and (18) of section
1281 627.7074, Florida Statutes, are amended to read:

1282 627.7074 Alternative procedure for resolution of disputed
1283 sinkhole insurance claims.—

1284 (3) Following the receipt of the report provided under s.
1285 627.7073 or the denial of a claim for a sinkhole loss, the
1286 insurer shall notify the policyholder of his or her right to
1287 participate in the neutral evaluation program under this
1288 section, if there is coverage available under the policy and the
1289 claim was submitted within the timeframe provided in s.

1290 627.706(5). Neutral evaluation supersedes the alternative
1291 dispute resolution process under s. 627.7015 but does not

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1292 invalidate the appraisal clause of the insurance policy. The
1293 insurer shall provide to the policyholder the consumer
1294 information pamphlet prepared by the department pursuant to
1295 subsection (1) electronically or by United States mail.

1296 (7) Upon receipt of a request for neutral evaluation, the
1297 department shall provide the parties a list of certified neutral
1298 evaluators. The department shall allow the parties to submit
1299 requests to disqualify evaluators on the list for cause.

1300 (a) The department shall disqualify neutral evaluators for
1301 cause based only on any of the following grounds:

1302 1. A familial relationship exists between the neutral
1303 evaluator and either party or a representative of either party
1304 within the third degree.

1305 2. The proposed neutral evaluator has, in a professional
1306 capacity, previously represented either party or a
1307 representative of either party, in the same or a substantially
1308 related matter.

1309 3. The proposed neutral evaluator has, in a professional
1310 capacity, represented another person in the same or a
1311 substantially related matter and that person's interests are
1312 materially adverse to the interests of the parties. The term
1313 "substantially related matter" means participation by the
1314 neutral evaluator on the same claim, property, or adjacent
1315 property.

1316 4. The proposed neutral evaluator has, within the
1317 preceding 5 years, worked as an employer or employee of any

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1318 party to the case.

1319 (b) The department shall deny an application, or suspend
1320 or revoke its certification, of a neutral evaluator to serve in
1321 such capacity if the department finds that one or more of the
1322 following grounds exist:

1323 1. Lack of one or more of the qualifications specified in
1324 this section for certification.

1325 2. Material misstatement, misrepresentation, or fraud in
1326 obtaining or attempting to obtain the certification.

1327 3. Demonstrated lack of fitness or trustworthiness to act
1328 as a neutral evaluator.

1329 4. Fraudulent or dishonest practices in the conduct of an
1330 evaluation or in the conduct of financial services business.

1331 5. Violation of any provision of this code or of a lawful
1332 order or rule of the department or aiding, instructing, or
1333 encouraging another party in committing such a violation.

1334 (c)-(b) The parties shall appoint a neutral evaluator from
1335 the department list and promptly inform the department. If the
1336 parties cannot agree to a neutral evaluator within 14 business
1337 days, the department shall appoint a neutral evaluator from the
1338 list of certified neutral evaluators. The department shall allow
1339 each party to disqualify two neutral evaluators without cause.
1340 Upon selection or appointment, the department shall promptly
1341 refer the request to the neutral evaluator.

1342 (d)-(e) Within 14 business days after the referral, the
1343 neutral evaluator shall notify the policyholder and the insurer

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1344 of the date, time, and place of the neutral evaluation
1345 conference. The conference may be held by telephone, if feasible
1346 and desirable. The neutral evaluator shall make reasonable
1347 efforts to hold the conference within 90 days after the receipt
1348 of the request by the department. Failure of the neutral
1349 evaluator to hold the conference within 90 days does not
1350 invalidate either party's right to neutral evaluation or to a
1351 neutral evaluation conference held outside this timeframe.

1352 (18) The department shall adopt rules of procedure for the
1353 neutral evaluation process and adopt rules for certifying,
1354 denying certification of, suspending certification of, and
1355 revoking certification as a neutral evaluator.

1356 Section 44. Subsection (8) of section 627.711, Florida
1357 Statutes, is amended to read:

1358 627.711 Notice of premium discounts for hurricane loss
1359 mitigation; uniform mitigation verification inspection form.—

1360 (8) At its expense, the insurer may require that a uniform
1361 mitigation verification form provided by a policyholder, a
1362 policyholder's agent, or an authorized mitigation inspector or
1363 inspection company be independently verified by an inspector, an
1364 inspection company, or an independent third-party quality
1365 assurance provider which possesses a quality assurance program
1366 before accepting the uniform mitigation verification form as
1367 valid. At its option, the insurer may exempt from additional
1368 independent verification any uniform mitigation verification
1369 form provided by a policyholder, a policyholder's agent, an

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1370 authorized mitigation inspector or an inspection company that
1371 possesses a quality assurance program which meets standards
1372 established by the insurer. A uniform mitigation verification
1373 form provided by a policyholder, a policyholder's agent, or an
1374 authorized mitigation inspector or inspection company to
1375 Citizens Property Insurance Corporation is not subject to such
1376 additional verification and the property is not subject to
1377 reinspection by the corporation, absent material changes to the
1378 structure for the term stated on the form, if the form signed by
1379 a qualified inspector was submitted to, reviewed, and verified
1380 by a quality assurance program approved by the corporation
1381 before submission of the form to the corporation.

1382 Section 45. Paragraph (a) of subsection (5) of section
1383 627.736, Florida Statutes, is amended to read:

1384 627.736 Required personal injury protection benefits;
1385 exclusions; priority; claims.—

1386 (5) CHARGES FOR TREATMENT OF INJURED PERSONS.—

1387 (a) A physician, hospital, clinic, or other person or
1388 institution lawfully rendering treatment to an injured person
1389 for a bodily injury covered by personal injury protection
1390 insurance may charge the insurer and injured party only a
1391 reasonable amount pursuant to this section for the services and
1392 supplies rendered, and the insurer providing such coverage may
1393 pay for such charges directly to such person or institution
1394 lawfully rendering such treatment if the insured receiving such
1395 treatment or his or her guardian has countersigned the properly

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1396 completed invoice, bill, or claim form approved by the office
1397 upon which such charges are to be paid for as having actually
1398 been rendered, to the best knowledge of the insured or his or
1399 her guardian. However, such a charge may not exceed the amount
1400 the person or institution customarily charges for like services
1401 or supplies. In determining whether a charge for a particular
1402 service, treatment, or otherwise is reasonable, consideration
1403 may be given to evidence of usual and customary charges and
1404 payments accepted by the provider involved in the dispute,
1405 reimbursement levels in the community and various federal and
1406 state medical fee schedules applicable to motor vehicle and
1407 other insurance coverages, and other information relevant to the
1408 reasonableness of the reimbursement for the service, treatment,
1409 or supply.

1410 1. The insurer may limit reimbursement to 80 percent of
1411 the following schedule of maximum charges:

1412 a. For emergency transport and treatment by providers
1413 licensed under chapter 401, 200 percent of Medicare.

1414 b. For emergency services and care provided by a hospital
1415 licensed under chapter 395, 75 percent of the hospital's usual
1416 and customary charges.

1417 c. For emergency services and care as defined by s.
1418 395.002 provided in a facility licensed under chapter 395
1419 rendered by a physician or dentist, and related hospital
1420 inpatient services rendered by a physician or dentist, the usual
1421 and customary charges in the community.

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1422 d. For hospital inpatient services, other than emergency
1423 services and care, 200 percent of the Medicare Part A
1424 prospective payment applicable to the specific hospital
1425 providing the inpatient services.

1426 e. For hospital outpatient services, other than emergency
1427 services and care, 200 percent of the Medicare Part A Ambulatory
1428 Payment Classification for the specific hospital providing the
1429 outpatient services.

1430 f. For all other medical services, supplies, and care, 200
1431 percent of the allowable amount under:

1432 (I) The participating physicians fee schedule of Medicare
1433 Part B, except as provided in sub-sub-subparagraphs (II) and
1434 (III).

1435 (II) Medicare Part B, in the case of services, supplies,
1436 and care provided by ambulatory surgical centers and clinical
1437 laboratories.

1438 (III) The Durable Medical Equipment Prosthetics/Orthotics
1439 and Supplies fee schedule of Medicare Part B, in the case of
1440 durable medical equipment.

1441
1442 However, if such services, supplies, or care is not reimbursable
1443 under Medicare Part B, as provided in this sub-subparagraph, the
1444 insurer may limit reimbursement to 80 percent of the maximum
1445 reimbursable allowance under workers' compensation, as
1446 determined under s. 440.13 and rules adopted thereunder which
1447 are in effect at the time such services, supplies, or care is

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1448 provided. Services, supplies, or care that is not reimbursable
1449 under Medicare or workers' compensation is not required to be
1450 reimbursed by the insurer.

1451 2. For purposes of subparagraph 1., the applicable fee
1452 schedule or payment limitation under Medicare is the fee
1453 schedule or payment limitation in effect on March 1 of the year
1454 in which the services, supplies, or care is rendered and for the
1455 area in which such services, supplies, or care is rendered, and
1456 the applicable fee schedule or payment limitation applies from
1457 March 1 until the last day of February ~~throughout the remainder~~
1458 ~~of the following~~ that year, notwithstanding any subsequent
1459 change made to the fee schedule or payment limitation, except
1460 that it may not be less than the allowable amount under the
1461 applicable schedule of Medicare Part B for 2007 for medical
1462 services, supplies, and care subject to Medicare Part B.

1463 3. Subparagraph 1. does not allow the insurer to apply any
1464 limitation on the number of treatments or other utilization
1465 limits that apply under Medicare or workers' compensation. An
1466 insurer that applies the allowable payment limitations of
1467 subparagraph 1. must reimburse a provider who lawfully provided
1468 care or treatment under the scope of his or her license,
1469 regardless of whether such provider is entitled to reimbursement
1470 under Medicare due to restrictions or limitations on the types
1471 or discipline of health care providers who may be reimbursed for
1472 particular procedures or procedure codes. However, subparagraph
1473 1. does not prohibit an insurer from using the Medicare coding

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1474 policies and payment methodologies of the federal Centers for
1475 Medicare and Medicaid Services, including applicable modifiers,
1476 to determine the appropriate amount of reimbursement for medical
1477 services, supplies, or care if the coding policy or payment
1478 methodology does not constitute a utilization limit.

1479 4. If an insurer limits payment as authorized by
1480 subparagraph 1., the person providing such services, supplies,
1481 or care may not bill or attempt to collect from the insured any
1482 amount in excess of such limits, except for amounts that are not
1483 covered by the insured's personal injury protection coverage due
1484 to the coinsurance amount or maximum policy limits.

1485 5. ~~Effective July 1, 2012,~~ An insurer may limit payment as
1486 authorized by this paragraph only if the insurance policy
1487 includes a notice at the time of issuance or renewal that the
1488 insurer may limit payment pursuant to the schedule of charges
1489 specified in this paragraph. A policy form approved by the
1490 office satisfies this requirement. If a provider submits a
1491 charge for an amount less than the amount allowed under
1492 subparagraph 1., the insurer may pay the amount of the charge
1493 submitted.

1494 Section 46. Subsection (1) and paragraphs (a) and (b) of
1495 subsection (2) of section 627.744, Florida Statutes, are amended
1496 to read:

1497 627.744 Required preinsurance inspection of private
1498 passenger motor vehicles.—

1499 (1) A private passenger motor vehicle insurance policy

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1500 providing physical damage coverage, including collision or
1501 comprehensive coverage, may not be issued in this state unless
1502 the insurer has inspected the motor vehicle in accordance with
1503 this section. Physical damage coverage on a motor vehicle may
1504 not be suspended during the term of the policy due to the
1505 applicant's failure to provide required documents. However,
1506 payment of a claim may be conditioned upon the insurer's receipt
1507 of the required documents, and physical damage loss occurring
1508 after the effective date of coverage is not payable until the
1509 documents are provided to the insurer.

1510 (2) This section does not apply:

1511 (a) To a policy for a policyholder who has been insured
1512 for 2 years or longer, without interruption, under a private
1513 passenger motor vehicle policy that ~~which~~ provides physical
1514 damage coverage for any vehicle if the agent of the insurer
1515 verifies the previous coverage.

1516 (b) To a new, unused motor vehicle purchased or leased
1517 from a licensed motor vehicle dealer or leasing company if the
1518 insurer is provided with:

1519 1. A bill of sale, ~~or~~ buyer's order, or lease agreement
1520 that ~~which~~ contains a full description of the motor vehicle,
1521 ~~including all options and accessories; or~~

1522 2. A copy of the title or registration that ~~which~~
1523 establishes transfer of ownership from the dealer or leasing
1524 company to the customer and a copy of the window sticker ~~or the~~
1525 ~~dealer invoice showing the itemized options and equipment and~~

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1526 ~~the total retail price of the vehicle.~~

1527
1528 ~~For the purposes of this paragraph, the physical damage coverage~~
1529 ~~on the motor vehicle may not be suspended during the term of the~~
1530 ~~policy due to the applicant's failure to provide the required~~
1531 ~~documents. However, payment of a claim is conditioned upon the~~
1532 ~~receipt by the insurer of the required documents, and no~~
1533 ~~physical damage loss occurring after the effective date of the~~
1534 ~~coverage is payable until the documents are provided to the~~
1535 ~~insurer.~~

1536 Section 47. Paragraph (b) of subsection (3) of section
1537 627.745, Florida Statutes, is amended, present subsections (4)
1538 and (5) of that section are renumbered as subsections (5) and
1539 (6), respectively, and a new subsection (4) is added to that
1540 section, to read:

1541 627.745 Mediation of claims.—

1542 (3)

1543 (b) To qualify for approval as a mediator, an individual ~~a~~
1544 ~~person~~ must meet one of the following qualifications:

1545 1. Possess an active certification as a Florida Supreme
1546 Court certified circuit court mediator. A circuit court mediator
1547 whose certification is in a lapsed, suspended, sanctioned, or
1548 decertified status is not eligible to participate in the program
1549 ~~a masters or doctorate degree in psychology, counseling,~~
1550 ~~business, accounting, or economics, be a member of The Florida~~
1551 ~~Bar, be licensed as a certified public accountant, or~~

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1552 ~~demonstrate that the applicant for approval has been actively~~
1553 ~~engaged as a qualified mediator for at least 4 years prior to~~
1554 ~~July 1, 1990.~~

1555 2. Be an approved department mediator as of July 1, 2014,
1556 and have conducted at least one mediation on behalf of the
1557 department within 4 years immediately preceding that the date
1558 the application for approval is filed with the department, have
1559 completed a minimum of a 40-hour training program approved by
1560 the department and successfully passed a final examination
1561 included in the training program and approved by the department.
1562 The training program shall include and address all of the
1563 following:

1564 a. Mediation theory.

1565 b. Mediation process and techniques.

1566 c. Standards of conduct for mediators.

1567 d. Conflict management and intervention skills.

1568 e. Insurance nomenclature.

1569 (4) The department shall deny an application, or suspend
1570 or revoke its approval of a mediator to serve in such capacity,
1571 if the department finds that any of the following grounds exist:

1572 (a) Lack of one or more of the qualifications for approval
1573 specified in this section.

1574 (b) Material misstatement, misrepresentation, or fraud in
1575 obtaining, or attempting to obtain, the approval.

1576 (c) Demonstrated lack of fitness or trustworthiness to act
1577 as a mediator.

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1578 (d) Fraudulent or dishonest practices in the conduct of
1579 mediation or in the conduct of business in the financial
1580 services industry.

1581 (e) Violation of any provision of this code or of a lawful
1582 order or rule of the department, violation of the Florida Rules
1583 of Certified and Court Appointed Mediators, or aiding,
1584 instructing, or encouraging another party in committing such a
1585 violation.

1586
1587 The department may adopt rules to administer this subsection.

1588 Section 48. Subsection (8) of section 627.782, Florida
1589 Statutes, is amended to read:

1590 627.782 Adoption of rates.—

1591 (8) Each title insurance agency and insurer licensed to do
1592 business in this state and each insurer's direct or retail
1593 business in this state shall maintain and submit information,
1594 including revenue, loss, and expense data, as the office
1595 determines necessary to assist in the analysis of title
1596 insurance premium rates, title search costs, and the condition
1597 of the title insurance industry in this state. This information
1598 must be transmitted to the office annually by ~~May~~ ~~March~~ 31 of
1599 the year after the reporting year. The commission shall adopt
1600 rules regarding the collection and analysis of the data from the
1601 title insurance industry.

1602 Section 49. Subsection (4) of section 627.841, Florida
1603 Statutes, is amended to read:

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1604 627.841 Delinquency, collection, cancellation, and payment
1605 ~~check~~ return charge charges; attorney attorney's fees.-

1606 (4) In the event that a payment is made to a premium
1607 finance company by debit, credit, electronic funds transfer,
1608 check, or draft and such payment the instrument is returned,
1609 declined, or cannot be processed due to ~~because of~~ insufficient
1610 funds ~~to pay it~~, the premium finance company may, if the premium
1611 finance agreement so provides, impose a return payment charge of
1612 \$15.

1613 Section 50. Subsections (1), (3), (10), and (12) of
1614 section 628.461, Florida Statutes, are amended to read:

1615 628.461 Acquisition of controlling stock.-

1616 (1) A person may not, individually or in conjunction with
1617 any affiliated person of such person, acquire directly or
1618 indirectly, conclude a tender offer or exchange offer for, enter
1619 into any agreement to exchange securities for, or otherwise
1620 finally acquire 10 ~~5~~ percent or more of the outstanding voting
1621 securities of a domestic stock insurer or of a controlling
1622 company, unless:

1623 (a) The person or affiliated person has filed with the
1624 office and sent to the insurer and controlling company a letter
1625 of notification regarding the transaction or proposed
1626 transaction within ~~no later than~~ 5 days after any form of tender
1627 offer or exchange offer is proposed, or within ~~no later than~~ 5
1628 days after the acquisition of the securities if no tender offer
1629 or exchange offer is involved. The notification must be provided

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1630 on forms prescribed by the commission containing information
1631 determined necessary to understand the transaction and identify
1632 all purchasers and owners involved;

1633 (b) The person or affiliated person has filed with the
1634 office a statement as specified in subsection (3). The statement
1635 must be completed and filed within 30 days after:

- 1636 1. Any definitive acquisition agreement is entered;
1637 2. Any form of tender offer or exchange offer is proposed;

1638 or

1639 3. The acquisition of the securities, if no definitive
1640 acquisition agreement, tender offer, or exchange offer is
1641 involved; and

1642 (c) The office has approved the tender or exchange offer,
1643 or acquisition if no tender offer or exchange offer is involved,
1644 and approval is in effect.

1645
~~1646 In lieu of a filing as required under this subsection, a party
1647 acquiring less than 10 percent of the outstanding voting
1648 securities of an insurer may file a disclaimer of affiliation
1649 and control. The disclaimer shall fully disclose all material
1650 relationships and basis for affiliation between the person and
1651 the insurer as well as the basis for disclaiming the affiliation
1652 and control. After a disclaimer has been filed, the insurer
1653 shall be relieved of any duty to register or report under this
1654 section which may arise out of the insurer's relationship with
1655 the person unless and until the office disallows the disclaimer.~~

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1656 ~~The office shall disallow a disclaimer only after furnishing all~~
1657 ~~parties in interest with notice and opportunity to be heard and~~
1658 ~~after making specific findings of fact to support the~~
1659 ~~disallowance.~~ A filing as required under this subsection must be
1660 made as to any acquisition that equals or exceeds 10 percent of
1661 the outstanding voting securities.

1662 (3) The statement to be filed with the office under
1663 subsection (1) and furnished to the insurer and controlling
1664 company shall contain the following information and any
1665 additional information as the office deems necessary to
1666 determine the character, experience, ability, and other
1667 qualifications of the person or affiliated person of such person
1668 for the protection of the policyholders and shareholders of the
1669 insurer and the public:

1670 (a) The identity of, and the background information
1671 specified in subsection (4) on, each natural person by whom, or
1672 on whose behalf, the acquisition is to be made; and, if the
1673 acquisition is to be made by, or on behalf of, a corporation,
1674 association, or trust, as to the corporation, association, or
1675 trust and as to any person who controls either directly or
1676 indirectly the corporation, association, or trust, the identity
1677 of, and the background information specified in subsection (4)
1678 on, each director, officer, trustee, or other natural person
1679 performing duties similar to those of a director, officer, or
1680 trustee for the corporation, association, or trust;

1681 (b) The source and amount of the funds or other

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1682 consideration used, or to be used, in making the acquisition;

1683 (c) Any plans or proposals which such persons may have
1684 made to liquidate such insurer, to sell any of its assets or
1685 merge or consolidate it with any person, or to make any other
1686 major change in its business or corporate structure or
1687 management; and any plans or proposals which such persons may
1688 have made to liquidate any controlling company of such insurer,
1689 to sell any of its assets or merge or consolidate it with any
1690 person, or to make any other major change in its business or
1691 corporate structure or management;

1692 (d) The number of shares or other securities which the
1693 person or affiliated person of such person proposes to acquire,
1694 the terms of the proposed acquisition, and the manner in which
1695 the securities are to be acquired; ~~and~~

1696 (e) Information as to any contract, arrangement, or
1697 understanding with any party with respect to any of the
1698 securities of the insurer or controlling company, including, but
1699 not limited to, information relating to the transfer of any of
1700 the securities, option arrangements, puts or calls, or the
1701 giving or withholding of proxies, which information names the
1702 party with whom the contract, arrangement, or understanding has
1703 been entered into and gives the details thereof;

1704 (f) Effective January 1, 2015, an agreement by the person
1705 required to file the statement that the person will provide the
1706 annual report specified in s. 628.801(2) if control exists; and

1707 (g) Effective January 1, 2015, an acknowledgement by the

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1708 person required to file the statement that the person and all
1709 subsidiaries within the person's control in the insurance
1710 holding company system will provide, as necessary, information
1711 to the office upon request to evaluate enterprise risk to the
1712 insurer.

1713 (10) Upon notification to the office by the domestic stock
1714 insurer or a controlling company that any person or any
1715 affiliated person of such person has acquired 10 ~~5~~ percent or
1716 more of the outstanding voting securities of the domestic stock
1717 insurer or controlling company without complying with ~~the~~
1718 ~~provisions of~~ this section, the office shall order that the
1719 person and any affiliated person of such person cease
1720 acquisition of any further securities of the domestic stock
1721 insurer or controlling company; however, the person or any
1722 affiliated person of such person may request a proceeding, which
1723 proceeding shall be convened within 7 days after the rendering
1724 of the order for the sole purpose of determining whether the
1725 person, individually or in connection with any affiliated person
1726 of such person, has acquired 10 ~~5~~ percent or more of the
1727 outstanding voting securities of a domestic stock insurer or
1728 controlling company. Upon the failure of the person or
1729 affiliated person to request a hearing within 7 days, or upon a
1730 determination at a hearing convened pursuant to this subsection
1731 that the person or affiliated person has acquired voting
1732 securities of a domestic stock insurer or controlling company in
1733 violation of this section, the office may order the person and

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1734 affiliated person to divest themselves of any voting securities
1735 so acquired.

1736 (12) (a) A presumption of control may be rebutted by filing
1737 a disclaimer of control. Any person may file a disclaimer of
1738 control with the office. The disclaimer must fully disclose all
1739 material relationships and bases for affiliation between the
1740 person and the insurer as well as the basis for disclaiming the
1741 affiliation. The disclaimer of control shall be filed on a form
1742 prescribed by the office or a person or acquiring party may file
1743 a disclaimer of control by filing with the office a copy of a
1744 Schedule 13G on file with the Securities and Exchange Commission
1745 pursuant to Rules 13d-1(b) or 13d-1(c) under the Securities
1746 Exchange Act of 1934 as amended. After a disclaimer is filed,
1747 the insurer is relieved of any duty to register or report under
1748 this section, which may arise out of the insurer's relationship
1749 with the person, unless the office disallows the disclaimer. For
1750 the purpose of this section, the term "affiliated person" of
1751 another person means:

1752 1. ~~The spouse of such other person;~~

1753 2. ~~The parents of such other person and their lineal~~
1754 ~~descendants and the parents of such other person's spouse and~~
1755 ~~their lineal descendants;~~

1756 3. ~~Any person who directly or indirectly owns or controls,~~
1757 ~~or holds with power to vote, 5 percent or more of the~~
1758 ~~outstanding voting securities of such other person;~~

1759 4. ~~Any person 5 percent or more of the outstanding voting~~

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1760 ~~securities of which are directly or indirectly owned or~~
1761 ~~controlled, or held with power to vote, by such other person;~~

1762 ~~5. Any person or group of persons who directly or~~
1763 ~~indirectly control, are controlled by, or are under common~~
1764 ~~control with such other person;~~

1765 ~~6. Any officer, director, partner, copartner, or employee~~
1766 ~~of such other person;~~

1767 ~~7. If such other person is an investment company, any~~
1768 ~~investment adviser of such company or any member of an advisory~~
1769 ~~board of such company;~~

1770 ~~8. If such other person is an unincorporated investment~~
1771 ~~company not having a board of directors, the depositor of such~~
1772 ~~company; or~~

1773 ~~9. Any person who has entered into an agreement, written~~
1774 ~~or unwritten, to act in concert with such other person in~~
1775 ~~acquiring or limiting the disposition of securities of a~~
1776 ~~domestic stock insurer or controlling company.~~

1777 (b) Any controlling person of a domestic insurer who seeks
1778 to divest the person's controlling interest in the domestic
1779 insurer in any manner shall file with the office, with a copy to
1780 the insurer, confidential notice, not subject to public
1781 inspection as provided under s. 624.4212, of the person's
1782 proposed divestiture at least 30 days before the cessation of
1783 control. The office shall determine those instances in which the
1784 party seeking to divest or to acquire a controlling interest in
1785 an insurer must file for and obtain approval of the transaction.

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1786 The information remains confidential until the conclusion of the
1787 transaction unless the office, in its discretion, determines
1788 that confidential treatment interferes with enforcement of this
1789 section. If the statement required under subsection (1) is
1790 otherwise filed, this paragraph does not apply. ~~For the purposes~~
1791 of this section, the term "controlling company" means any
1792 corporation, trust, or association owning, directly or
1793 indirectly, 25 percent or more of the voting securities of one
1794 or more domestic stock insurance companies.

1795 Section 51. Subsections (6) and (7) of section 634.406,
1796 Florida Statutes, are amended to read:

1797 634.406 Financial requirements.-

1798 (6) An association that ~~which~~ holds a license under this
1799 ~~part and which does not hold any other license under this~~
1800 ~~chapter~~ may allow its premiums for service warranties written
1801 under this part to exceed the ratio to net assets limitations of
1802 this section if the association meets all of the following:

1803 (a) Maintains net assets of at least \$750,000.

1804 (b) Uses ~~Utilizes~~ a contractual liability insurance policy
1805 approved by the office that: ~~which~~

1806 1. Reimburses the service warranty association for 100
1807 percent of its claims liability and is issued by an insurer that
1808 maintains a policyholder surplus of at least \$100 million; or

1809 2. Complies with the requirements of subsection (3) and is
1810 issued by an insurer that maintains a policyholder surplus of at
1811 least \$200 million.

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1812 (c) The insurer issuing the contractual liability
1813 insurance policy:

1814 ~~1. Maintains a policyholder surplus of at least \$100~~
1815 ~~million.~~

1816 ~~1.2.~~ Is rated "A" or higher by A.M. Best Company or an
1817 equivalent rating by another national rating service acceptable
1818 to the office.

1819 ~~3. Is in no way affiliated with the warranty association.~~

1820 ~~2.4.~~ In conjunction with the warranty association's filing
1821 of the quarterly and annual reports, provides, on a form
1822 prescribed by the commission, a statement certifying the gross
1823 written premiums in force reported by the warranty association
1824 and a statement that all of the warranty association's gross
1825 written premium in force is covered under the contractual
1826 liability policy, regardless of whether ~~or not~~ it has been
1827 reported.

1828 ~~(7) A contractual liability policy must insure 100 percent~~
1829 ~~of an association's claims exposure under all of the~~
1830 ~~association's service warranty contracts, wherever written,~~
1831 ~~unless all of the following are satisfied:~~

1832 ~~(a) The contractual liability policy contains a clause~~
1833 ~~that specifically names the service warranty contract holders as~~
1834 ~~sole beneficiaries of the contractual liability policy and~~
1835 ~~claims are paid directly to the person making a claim under the~~
1836 ~~contract;~~

1837 ~~(b) The contractual liability policy meets all other~~

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1838 ~~requirements of this part, including subsection (3) of this~~
1839 ~~section, which are not inconsistent with this subsection;~~

1840 ~~(c) The association has been in existence for at least 5~~
1841 ~~years or the association is a wholly owned subsidiary of a~~
1842 ~~corporation that has been in existence and has been licensed as~~
1843 ~~a service warranty association in the state for at least 5~~
1844 ~~years, and:~~

1845 ~~1. Is listed and traded on a recognized stock exchange; is~~
1846 ~~listed in NASDAQ (National Association of Security Dealers~~
1847 ~~Automated Quotation system) and publicly traded in the over-the-~~
1848 ~~counter securities market; is required to file either of Form~~
1849 ~~10-K, Form 100, or Form 20-G with the United States Securities~~
1850 ~~and Exchange Commission; or has American Depository Receipts~~
1851 ~~listed on a recognized stock exchange and publicly traded or is~~
1852 ~~the wholly owned subsidiary of a corporation that is listed and~~
1853 ~~traded on a recognized stock exchange; is listed in NASDAQ~~
1854 ~~(National Association of Security Dealers Automated Quotation~~
1855 ~~system) and publicly traded in the over-the-counter securities~~
1856 ~~market; is required to file Form 10-K, Form 100, or Form 20-G~~
1857 ~~with the United States Securities and Exchange Commission; or~~
1858 ~~has American Depository Receipts listed on a recognized stock~~
1859 ~~exchange and is publicly traded;~~

1860 ~~2. Maintains outstanding debt obligations, if any, rated~~
1861 ~~in the top four rating categories by a recognized rating~~
1862 ~~service;~~

1863 ~~3. Has and maintains at all times a minimum net worth of~~

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1864 ~~not less than \$10 million as evidenced by audited financial~~
1865 ~~statements prepared by an independent certified public~~
1866 ~~accountant in accordance with generally accepted accounting~~
1867 ~~principles and submitted to the office annually; and~~

1868 ~~4. Is authorized to do business in this state; and~~

1869 ~~(d) The insurer issuing the contractual liability policy:~~

1870 ~~1. Maintains and has maintained for the preceding 5 years,~~
1871 ~~policyholder surplus of at least \$100 million and is rated "A"~~
1872 ~~or higher by A.M. Best Company or has an equivalent rating by~~
1873 ~~another rating company acceptable to the office;~~

1874 ~~2. Holds a certificate of authority to do business in this~~
1875 ~~state and is approved to write this type of coverage; and~~

1876 ~~3. Acknowledges to the office quarterly that it insures~~
1877 ~~all of the association's claims exposure under contracts~~
1878 ~~delivered in this state.~~

1879
1880 ~~If all the preceding conditions are satisfied, then the scope of~~
1881 ~~coverage under a contractual liability policy shall not be~~
1882 ~~required to exceed an association's claims exposure under~~
1883 ~~service warranty contracts delivered in this state.~~

1884 Section 52. Except as otherwise provided in this act, this
1885 act shall take effect July 1, 2014.

1886
1887
1888 -----
1889 **T I T L E A M E N D M E N T**

Amendment No. 1

1890 Remove everything before the enacting clause and insert:

1891 A bill to be entitled

1892 An act relating to insurance; amending s. 554.1021, F.S.;

1893 defining the term "authorized inspection agency"; amending s.

1894 554.107, F.S.; requiring the chief inspector of the state boiler

1895 inspection program to issue a certificate of competency as a

1896 special inspector to certain individuals; specifying the

1897 duration of such certificate; amending s. 554.109, F.S.;

1898 authorizing specified insurers to contract with an authorized

1899 inspection agency for boiler inspections; requiring such

1900 insurers to annually report the identity of contracted

1901 authorized inspection agencies to the Department of Financial

1902 Services; amending s. 624.4625, F.S.; revising requirements for

1903 corporation not for profit self-insurance funds; amending s.

1904 624.501, F.S.; revising original appointment and renewal fees

1905 related to certain insurance representatives; amending s.

1906 626.015, F.S.; providing new limited customer representative

1907 licenses from being issued after a specified date; defining the

1908 term "unaffiliated insurance agent"; amending s. 626.0428, F.S.;

1909 revising prohibitions relating to binding insurance and

1910 soliciting insurance; requiring a branch place of business to

1911 have an agent in charge; authorizing an agent to be in charge of

1912 more than one branch office under certain circumstances;

1913 providing requirements relating to the designation of an agent

1914 in charge; providing that the agent in charge is accountable for

1915 misconduct and violations committed by the licensee and any

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1916 person under his or her supervision; prohibiting an insurance
1917 agency from conducting insurance business at a location without
1918 a designated agent in charge; amending s. 626.112, F.S.;

1919 providing licensure exemptions that allow specified individuals
1920 or entities to conduct insurance business at specified locations
1921 under certain circumstances; revising licensure requirements and
1922 penalties with respect to registered insurance agencies;

1923 providing that the registration of an approved registered
1924 insurance agency automatically converts to an insurance agency
1925 license on a specified date; amending s. 626.172, F.S.; revising
1926 requirements relating to applications for insurance agency
1927 licenses; conforming provisions to changes made by the act;

1928 amending s. 626.311, F.S.; limiting the types of business that
1929 may be transacted by certain agents; amending s. 626.321, F.S.;

1930 providing that a limited license to offer motor vehicle rental
1931 insurance issued to a business that rents or leases motor
1932 vehicles encompasses the employees and authorized
1933 representatives of such business; amending s. 626.382, F.S.;

1934 providing that an insurance agency license continues in force
1935 until canceled, suspended, revoked, or terminated or expired;

1936 amending s. 626.601, F.S.; revising terminology relating to
1937 investigations conducted by the Department of Financial Services
1938 and the Office of Insurance Regulation with respect to
1939 individuals and entities involved in the insurance industry;

1940 revising a confidentiality provision; repealing s. 626.747,
1941 F.S., relating to branch agencies, agents in charge, and the

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COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 565 (2014)

Amendment No. 1

1942 payment of additional county tax under certain circumstances;
1943 amending s. 626.8411, F.S.; conforming a cross-reference;
1944 amending s. 626.8805, F.S.; revising insurance administrator
1945 application requirements; amending s. 626.8817, F.S.;
1946 authorizing an insurer's designee to provide certain coverage
1947 information to an insurance administrator; authorizing an
1948 insurer to subcontract the review of an insurance administrator;
1949 amending s. 626.882, F.S.; prohibiting a person from acting as
1950 an insurance administrator without a specific written agreement;
1951 amending s. 626.883, F.S.; requiring an insurance administrator
1952 to furnish fiduciary account records to an insurer; requiring
1953 administrator withdrawals from a fiduciary account to be made
1954 according to a specific written agreement; providing that an
1955 insurer's designee may authorize payment of claims; amending s.
1956 626.884, F.S.; revising an insurer's right of access to certain
1957 administrator records; amending s. 626.89, F.S.; revising the
1958 deadline for filing certain financial statements; amending s.
1959 626.931, F.S.; deleting provisions requiring a surplus lines
1960 agent to file a quarterly affidavit with the Florida Surplus
1961 Lines Service Office; amending s. 626.932, F.S.; revising the
1962 due date of surplus lines tax; amending ss. 626.935 and 626.936,
1963 F.S.; conforming provisions to changes made by the act; amending
1964 s. 627.062, F.S.; requiring the Office of Insurance Regulation
1965 to use certain models or methods or a straight average of model
1966 results or output ranges to estimate hurricane losses when
1967 determining whether the rates in a rate filing are excessive,

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COMMITTEE/SUBCOMMITTEE AMENDMENT

Bill No. HB 565 (2014)

Amendment No. 1

1968 inadequate, or unfairly discriminatory, amending s. 627.0628,
1969 F.S.; increasing the length of time during which an insurer must
1970 adhere to certain findings made by the Commission of Hurricane
1971 Loss Projection Methodology with respect to certain methods,
1972 principles, standards, models, or output ranges used in a rate
1973 filing; providing that the requirement to adhere to such
1974 findings does not limit an insurer from using a straight average
1975 of results of certain models or output ranges under specified
1976 circumstances; amending s. 627.0651, F.S.; revising provisions
1977 for making and use of rates for motor vehicle insurance;
1978 amending s. 627.072, F.S.; authorizing retrospective rating
1979 plans relating to workers' compensation and employer's liability
1980 insurance to allow negotiations between certain employers and
1981 insurers with respect to rating factors used to calculate
1982 premiums; amending ss. 627.281 and 627.3518, F.S.; conforming
1983 cross-references; amending s. 627.311, F.S.; providing that
1984 certain dividends shall be retained by the joint underwriting
1985 plan for future use; amending s. 627.3519, F.S.; requiring the
1986 Florida Hurricane Catastrophe Fund and Citizens Property
1987 Insurance Corporation to provide an annual report to the
1988 Legislature and the Financial Services Commission of their
1989 respective aggregate net probable maximum losses, financing
1990 options, and potential assessments; amending s. 627.409, F.S.;
1991 providing that a claim for residential property insurance cannot
1992 be denied based on certain credit information; amending s.
1993 627.4133, F.S.; increasing the amount of prior notice required

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1994 with respect to the nonrenewal, cancellation, or termination of
1995 certain insurance policies; deleting certain provisions that
1996 require extended periods of prior notice with respect to the
1997 nonrenewal, cancellation, or termination of certain insurance
1998 policies; prohibiting the cancellation of certain policies that
1999 have been in effect for a specified amount of time except under
2000 certain circumstances; providing that a policy or contract
2001 cannot be cancelled based on certain credit information;
2002 amending s. 627.4137, F.S.; adding licensed company adjusters to
2003 the list of persons who may respond to a claimant's written
2004 request for information relating to liability insurance
2005 coverage; amending s. 627.421, F.S.; authorizing a policyholder
2006 of personal lines insurance to affirmatively elect delivery of
2007 policy documents by electronic means; amending s. 627.43141,
2008 F.S.; authorizing a notice of change in policy terms to be sent
2009 in a separate mailing to an insured under certain circumstances;
2010 requiring an insurer to provide such notice to insured's
2011 insurance agent; creating s. 627.4553, F.S.; providing
2012 requirements for the recommendation to surrender an annuity or
2013 life insurance policy; amending s. 627.7015, F.S.; revising the
2014 rulemaking authority of the department with respect to
2015 qualifications and specified types of penalties covered under
2016 the property insurance mediation program; creating s. 627.70151,
2017 F.S.; providing criteria for an insurer or policyholder to
2018 challenge the impartiality of a loss appraisal umpire for
2019 purposes of disqualifying such umpire; amending s. 627.706,

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2020 F.S.; revising the definition of the term "neutral evaluator";
2021 amending s. 627.7074, F.S.; requiring the department to adopt
2022 rules relating to certification of neutral evaluators; revising
2023 notification requirements for participation in the neutral
2024 evaluation program; providing grounds for the department to deny
2025 an application, or suspend, or revoke certification, of a
2026 neutral evaluator; requiring rulemaking relating to
2027 certification of neutral evaluators; amending s. 627.711, F.S.;
2028 revising verification requirements for uniform mitigation
2029 verification forms; amending s. 627.736, F.S.; revising the time
2030 period for applicability of certain Medicare fee schedules or
2031 payment limitations; amending s. 627.744, F.S.; revising
2032 preinsurance inspection requirements for private passenger motor
2033 vehicles; amending s. 627.745, F.S.; revising qualifications for
2034 approval as a mediator by the department; providing grounds for
2035 the department to deny an application, or suspend or revoke
2036 approval of a mediator; authorizing the department to adopt
2037 rules; amending s. 627.782, F.S.; revising the date by which
2038 title insurance agencies and certain insurers must annually
2039 submit specified information to the Office of Insurance
2040 Regulation; amending s. 627.841, F.S.; providing that an
2041 insurance premium finance company may impose a charge for
2042 payments returned, declined, or unable to be processed due to
2043 insufficient funds; amending s. 628.461, F.S.; revising filing
2044 requirements relating to the acquisition of controlling stock;
2045 revising the amount of outstanding voting securities of a

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2046 domestic stock insurer or a controlling company that a person is
2047 prohibited from acquiring unless certain requirements have been
2048 met; prohibiting persons acquiring a certain percentage of
2049 voting securities from acquiring certain securities; providing
2050 that a presumption of control may be rebutted by filing a
2051 disclaimer of control; deleting a definition; amending s.
2052 634.406, F.S.; revising criteria authorizing premiums of certain
2053 service warranty associations to exceed their specified net
2054 assets limitations; revising requirements relating to
2055 contractual liability policies that insure warranty
2056 associations; providing an effective date.