

**CS/SB 1260 by BI, Brandes (CO-INTRODUCERS) Soto; (Similar to CS/CS/1ST ENG/H 0565) Insurance**

589854	A	S	RS	AGG, Hays	Before L.195:	04/09 03:01 PM
670382	SA	S	RCS	AGG, Hays	Before L.195:	04/09 03:01 PM
500632	A	S	RCS	AGG, Hays	btw L.756 - 757:	04/09 03:01 PM
582796	A	S	RCS	AGG, Hays	btw L.1202 - 1203:	04/09 03:01 PM
560680	A	S	RCS	AGG, Hays	Delete L.1211 - 1213:	04/09 03:01 PM
955004	A	S	L WD	AGG, Hays	Delete L.948 - 958:	04/09 03:01 PM

The Florida Senate  
**COMMITTEE MEETING EXPANDED AGENDA**  
**APPROPRIATIONS SUBCOMMITTEE ON GENERAL GOVERNMENT**  
**Senator Hays, Chair**  
**Senator Thompson, Vice Chair**

**MEETING DATE:** Wednesday, April 9, 2014  
**TIME:** 1:00 —3:00 p.m.  
**PLACE:** *Toni Jennings Committee Room, 110 Senate Office Building*

**MEMBERS:** Senator Hays, Chair; Senator Thompson, Vice Chair; Senators Bradley, Braynon, Bullard, Dean, Detert, Joyner, Latvala, Legg, Simpson, Soto, and Stargel

TAB	BILL NO. and INTRODUCER	BILL DESCRIPTION and SENATE COMMITTEE ACTIONS	COMMITTEE ACTION
1	<b>CS/SB 1260</b> Banking and Insurance / Brandes (Similar CS/CS/H 565, Compare H 291, CS/CS/H 321, H 471, H 581, CS/CS/H 633, CS/H 743, H 759, CS/H 785, CS/H 879, CS/H 1109, CS/H 1271, S 462, S 496, CS/CS/CS/S 542, CS/CS/S 570, CS/CS/S 708, CS/S 952, CS/S 1210, CS/CS/S 1308, CS/CS/S 1344, S 1672)	Insurance; Revising original appointment and renewal fees related to certain insurance representatives; providing licensure exemptions that allow specified individuals or entities to conduct insurance business at specified locations under certain circumstances; revising provisions for unfair methods of competition and unfair or deceptive acts relating to conducting certain insurance transactions through credit card facilities; providing that certain dividends may be retained by the joint underwriting plan for future use, etc.  BI 03/19/2014 Fav/CS AGG 04/09/2014 Fav/CS AP	Fav/CS Yeas 12 Nays 0

Other Related Meeting Documents

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

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Prepared By: The Professional Staff of the Appropriations Subcommittee on General Government

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BILL: CS/CS/SB 1260

INTRODUCER: Appropriations Subcommittee on General Government; Banking and Insurance Committee; and Senator Brandes and others

SUBJECT: Insurance

DATE: April 11, 2014

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Knudson</u>	<u>Knudson</u>	<u>BI</u>	<u>Fav/CS</u>
2.	<u>Betta</u>	<u>DeLoach</u>	<u>AGG</u>	<u>Fav/CS</u>
3.	_____	_____	<u>AP</u>	_____

**Please see Section IX. for Additional Information:**

COMMITTEE SUBSTITUTE - Substantial Changes

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**I. Summary:**

CS/CS/SB 1260 enacts the following changes related to insurance:

- Revises insurance agency licensure application requirements;
- Revises the criteria for establishing a not-for-profit self-insurance fund;
- Allows an insurance agency license to continue in force until cancelled, suspended, revoked or terminated;
- Creates a license for unaffiliated insurance agents;
- Expands the scope limited licenses to transact motor vehicle rental insurance issued to a business entity that offers motor vehicles for rent or lease;
- Provides the Department of Financial Services (DFS) with additional authority to regulate mediators, navigators, and sinkhole neutral evaluators;
- Provides the DFS with an additional ground to deny, suspend, revoke, or refuse to renew a license for an insurance agent, adjuster, customer or service representative, or managing general agent;
- Revises the application for a certificate of authority to be an insurance administrator;
- Allows an insurer to use a qualified third party to conduct required reviews of an insurance administrator;
- Allows annual financial statements of insurance administrators to cover the prior fiscal year;
- Repeals the requirement that surplus lines agents file an affidavit with the Florida Surplus Lines Service Office (FSLSO);

- Includes using a straight average of hurricane model results or output ranges as factors the Office of Insurance Regulation (OIR) must consider in a rate filing;
- Permits the OIR to approve a premium discount to rates for liability, personal injury protection, and collision coverages for motor vehicle policies for vehicles with electronic vehicle crash avoidance technology;
- Increases from 60 days to 180 days the time an insurer is not required to use the newest version of an approved hurricane model;
- Allows motor vehicle insurance rating territories to encompass a single zip code;
- Allows workers' compensation insurance retrospective rating plans that provide for negotiation of rating factors between the insurer and employer in specified instances;
- Allows the Florida Workers' Compensation Joint Underwriting Association to retain dividends that are not paid to former insureds;
- Prohibits insurers from denying residential property insurance claims on the basis of credit information that is publicly available if the insurance policy has been effective for more than 90 days;
- Establishes a uniform 120 day advance written notice of nonrenewal, cancellation, or termination for personal and commercial lines residential property insurance policies;
- Authorizes a licensed company adjuster to provide the sworn statement of liability insurance coverage required by current law;
- Deletes the requirement that representatives of an insurer must provide at least 48 hours' notice to the insured before scheduling a meeting or conducting an onsite inspection of the insured property;
- Allows motor vehicle insurers to electronically transfer unearned premium to a policyholder who cancels a motor vehicle insurance policy;
- Allows a policyholder to elect electronic delivery of policy documents;
- Allows a Notice of Change in Policy Terms to be sent separately from the Notice of Renewal Premium;
- Requires an insurance agent recommending the surrender of an annuity or life insurance policy with a cash value, but is not recommending the proceeds be used to fund another life insurance or annuity product, to provide specified disclosures;
- Creates conflict of interest standards for appraisers in residential property insurance claims;
- Specifies instances when an insurer need not provide notice of the availability of sinkhole neutral evaluation;
- Clarifies that the annual update to the Personal Injury Protection medical fee schedule applies until the last day of February in the following year;
- Creates exemptions to the required preinsurance inspection of private passenger motor vehicles;
- Changes the date by which title insurers and title insurance agencies must annually submit financial data to the Office of Insurance Regulation (OIR);
- Expands the risks industrial insured captive insurance companies may insure;
- Revises requirements related to the acquisition of controlling stock in an insurer; and
- Provides exceptions to certain financial requirements applicable to service warranty associations.

## II. Present Situation:

### Not-For-Profit Self-Insurance Funds

Section 624.4625, F.S., provides that two or more not-for-profit corporations located and organized under Florida law may form a self-insurance fund. The purpose of the self-insurance fund must be to pool and spread the property and casualty liabilities of group members. The fund must meet a number of requirements including:

- Annual normal premiums in excess of \$5 million;
- Each participating member receiving at least 75 percent of its revenues from local, state, and federal governmental sources;
- Use of a qualified actuary to determine actuarially sound rates and adequate reserves;
- Maintaining excess insurance coverage;
- Submitting annually audited financial statements; and
- Other requirements set forth under the statute.

### Licensing of Insurance Agents Selling Motor Vehicle Rental Insurance

In general, insurance agents transact insurance on behalf of an insurer or insurers. Agents must be licensed by the DFS to act as an agent for an insurer, and be appointed (i.e., given the authority by an insurance company to transact business on its behalf) by at least one insurer to act as the agent for that particular appointing insurer or insurers.<sup>1</sup>

Limited lines insurance agents are individuals, or in some cases entities, licensed as insurance agents but limited to selling one or more of the following forms of insurance (each requiring a separate license):

- Motor vehicle physical damage and mechanical breakdown insurance;
- Industrial fire or burglary;
- Travel insurance;
- Motor vehicle rental insurance;
- Credit insurance;
- Crop hail and multiple-peril crop insurance;
- In-transit and storage personal property insurance; and
- Portable electronics insurance.<sup>2</sup>

A limited lines insurance agent license generally has fewer requirements for licensing than other insurance agents. These licensees must, however, file an application with the DFS and be appointed by an insurance company.

### Department of Financial Services

The DFS licenses insurance agencies and agents. The DFS Division of Agent and Agency Services receives licensing applications, issues licenses, and investigates violations of the

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<sup>1</sup> s. 626.112, F.S.

<sup>2</sup> s. 626.321, F.S.

Insurance Code.<sup>3</sup> In order to transact insurance, a person must be licensed by the DFS and appointed by an insurer to transact insurance on its behalf.<sup>4</sup> If an agent fails to maintain an appointment during a four-year period, the agent's license expires and the agent must qualify as a first time applicant before transacting insurance.<sup>5</sup>

Section 624.310, F.S., gives the DFS the authority to initiate administrative proceedings to seek cease and desist orders, to seek the removal of affiliated parties, to impose administrative fines, and to suspend or revoke licenses. Any service of documents authorized or required by s. 624.310, F.S., must be made by certified mail, personal delivery, or by service of process in accordance with ch. 48, F.S. Section 624.310, F.S., does not allow for service by electronic mail.

### **Insurance Agency Licensure and Registration**

The DFS is responsible for licensing insurance agencies in accordance with s. 626.172, F.S. An application for licensure must be signed by the owner of the agency.<sup>6</sup> Insurance agents who are sole proprietors and do not employ other insurance agents must be licensed as both an insurance agent and an insurance agency.<sup>7</sup>

Each place of business where an agent transacts insurance must have an agency license.<sup>8</sup> Section 626.747, F.S., requires a licensed insurance agent to be at each branch location where activities requiring licensure as an insurance agent occur. Such an agent is commonly referred to as the "agent in charge."

Section 626.112(7), F.S., provides that agencies existing prior to January 1, 2003, are allowed to file an application for registration in lieu of applying for licensure. A benefit of registration over licensing is that registrations do not expire, whereas licenses expire every three years.<sup>9</sup> The DFS staff indicates that Florida is the only state that registers insurance agencies in lieu of licensing them and that many registered agencies are seeking licensure.<sup>10</sup>

### **Insurance Agents**

A "general lines agent" is an agent who transacts property insurance, casualty insurance, surety insurance, certain types of health insurance, and marine insurance.<sup>11</sup> A "customer representative" means an individual appointed by a general lines agent or agency to assist that agent or agency in transacting the business of insurance from the office of that agent or agency.<sup>12</sup> A "limited customer representative" is a customer representative appointed by a general lines agent or

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<sup>3</sup> The Division of Agent and Agency Services website is found at <http://www.myfloridacfo.com/Division/Agents/#.UxnmwPldUeG> (last accessed March 7, 2013).

<sup>4</sup> See ss. 626.015(3) and 626.112 F.S.

<sup>5</sup> See s. 626.431, F.S.

<sup>6</sup> See s. 626.172(2), F.S.

<sup>7</sup> See s. 626.112(7), F.S.

<sup>8</sup> See s. 626.112(7), F.S.

<sup>9</sup> See s. 626.382, F.S.

<sup>10</sup> Interview with DFS staff, March 7, 2014.

<sup>11</sup> See s. 626.015(5), F.S.

<sup>12</sup> See s. 626.015(4), F.S.

agency to assist that agent or agency in transacting only the business of private passenger motor vehicle insurance from the office of that agent or agency.<sup>13</sup>

**Regulation of Navigators**

In 2010, the federal Patient Protection and Affordable Care Act became law. The act created “navigators” to aid consumers in selecting a health plan. Part XIII of ch. 626, F.S., requires navigators to register with the DFS and provides a registration process for navigators.<sup>14</sup> Section 626.9957, F.S., provides disciplinary rules for navigators and grounds for the denial of registration.

**Alternative Dispute Resolution Programs**

The DFS administers alternative dispute programs for various types of insurance and has mediation programs for property insurance<sup>15</sup> and automobile insurance<sup>16</sup> claims. The DFS has a neutral evaluation program, similar to mediation, for sinkhole insurance claims.<sup>17</sup> The DFS approves mediators used in the two mediation programs and certifies the neutral evaluators used in neutral evaluations for sinkhole insurance claims.<sup>18</sup>

To qualify as a mediator for the property or automobile mediation programs, a person must possess graduate level degrees in specified areas, be a member of the Florida Bar, be a licensed certified public accountant, or be a mediator for four years.<sup>19</sup> In addition, an applicant must complete a training program approved by the DFS.<sup>20</sup>

To qualify as a neutral evaluator for sinkhole insurance claims, a neutral evaluator must be a professional engineer or a professional geologist who has completed a course of study in alternative dispute resolution approved by the DFS and who is determined by the DFS to be fair and impartial.<sup>21</sup> According to an analysis provided by the DFS,<sup>22</sup> the number of reported mediations and neutral evaluations is:

	Fiscal Year 2010-2011	Fiscal Year 2011-2012	Fiscal Year 2012-2013
Mediations	3,489	3,323	3,966
Neutral Evaluations	2,245	2,681	1,867

<sup>13</sup> See s. 626.015(11), F.S.

<sup>14</sup> <http://www.myfloridacfo.com/Division/Agents/Industry/News/Navigators.htm#.UxsW4vldUeE> (last accessed March 8, 2014).

<sup>15</sup> See s. 627.7015, F.S.

<sup>16</sup> See s. 626.745, F.S.

<sup>17</sup> See s. 627.7074, F.S.

<sup>18</sup> See ss. 627.7015, 627.7074, and 627.745, F.S.

<sup>19</sup> See ss. 627.7015, 627.745(3), F.S.

<sup>20</sup> See ss. 627.7015, 627.745(3), F.S.

<sup>21</sup> See s. 627.706, F.S.

<sup>22</sup> See Department of Financial Services, *Senate Bill 708 Analysis* (February 4, 2014) (on file with the Committee on Banking and Insurance).

The DFS does not have the explicit authority to investigate, remove, or discipline mediators and neutral evaluators.

### **Public Adjuster and Insurance Adjuster Notice Requirements for Residential Property Insurance Claims**

Section 626.854, F.S., defines a public adjuster as any person<sup>23</sup> who is compensated for aiding an insured or third-party claimant to file an insurance claim or negotiate the settlement of an insurance claim.<sup>24</sup> Section 626.854(6), F.S., prohibits public adjusters from initiating contact or contracting with an insured or claimant regarding a residential property insurance claim until at least 48 hours after the event that is the basis of the claim occurs. The Florida Supreme Court, however, ruled the 48 hour prohibition an unconstitutional regulation of commercial speech in a 2012 decision.<sup>25</sup> Section 626.854(14), F.S., contains a corresponding requirement that adjusters, investigators and attorneys representing insurers must provide the claimant or claimant's representative at least 48 hours' notice prior to scheduling a meeting with the claimant or inspecting the insured property. This requirement remains effective under Florida law.

### **Insurance Administrators**

An insurance administrator is any person who directly or indirectly solicits or effects coverage of, collects charges or premiums from, or adjusts or settles claims on residents of this state in connection with an insurance policy. To operate as an insurance administrator, a person must obtain a certificate of authority to act as an administrator from the Office of Insurance Regulation.<sup>26</sup> An insurer who utilizes an insurance administrator must at least semiannually conduct a review of the operations of an administrator that administers more than 100 certificateholders of that insurer.<sup>27</sup> An administrator must have a written agreement between itself and each insurer for which it performs administrative functions.<sup>28</sup> Administrators must also file an annual financial statement with the OIR containing the administrator's financial condition, transactions, and affairs no later than March 1 of each year.<sup>29</sup>

### **Surplus Lines Agent Affidavit**

Surplus lines insurance refers to a category of insurance for which there is no market available through standard insurance carriers in the admitted market (insurance companies licensed to transact insurance in Florida). Surplus lines insurance is sold by surplus lines insurance agents. Before a surplus lines insurance agent can place insurance in the surplus lines market, s. 626.916, F.S., requires the insurance agent to make a diligent effort to procure the desired coverage from admitted insurers. Section 626.914, F.S., defines a diligent effort as seeking and being denied coverage from at least three authorized insurers in the admitted market unless the cost to replace

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<sup>23</sup> Other than an attorney at law.

<sup>24</sup> Licensed health care providers or their employees who prepare or file health insurance claims on behalf of patients are excluded from the definition, as are any person who files a health insurance claim on behalf of another and does so without compensation.

<sup>25</sup> *Atwater v. Kortum*, 95 So.3d 85 (Fla. 2012).

<sup>26</sup> S. 626.8805, F.S.

<sup>27</sup> S. 626.8817, F.S.

<sup>28</sup> S. 626.882, F.S.

<sup>29</sup> S. 626.89, F.S.



the property insured is \$1 million or more. In that case, diligent effort is seeking and being denied coverage from at least one authorized insurer in the admitted market.

Surplus lines insurance agents must report surplus lines insurance transactions to the Florida Surplus Lines Service Office (FSLSO or Office) within 30 days of the effective date of the transaction. They must also transmit service fees to the Office each month, and must transmit assessment and tax payments to the Office quarterly.

Current law also requires a surplus lines agent to file a quarterly affidavit with the FSLSO to document all surplus lines insurance transacted in the quarter it was submitted to the FSLSO. The affidavit also documents the efforts the agent made to place coverage with authorized insurers and the results of the efforts.

### **Hurricane Loss Projection Models**

The Florida Commission on Hurricane Loss Projection Methodology (Commission) was established by the Legislature to serve as an independent body to provide expert evaluation of computer models that project hurricane losses.<sup>30</sup> The Commission is assigned to the State Board of Administration. The Commission adopts findings on the accuracy or reliability of the methods, standards, principles, models and other means used to project hurricane losses. Members of the Commission include:<sup>31</sup>

- The Insurance Consumer Advocate;
- The person responsible for FHCF operations;
- The Executive Director of Citizens Property Insurance Corporation;
- The Director of Emergency Management;
- An actuary member from the FHCF Advisory Council;
- An actuary employed by the OIR;
- An appointment by the state Chief Financial Officer who is an actuary employed with a property and casualty insurer;
- An appointment by the state Chief Financial Officer who is an insurance finance expert and who is a full-time faculty member in the State University System;
- An appointment by the state Chief Financial Officer who is a statistics expert in meteorology and who is a full-time faculty member in the State University System; and
- An appointment by the state Chief Financial Officer who is an expert in computer system design and who is a full-time faculty member in the State University System.

The Commission sets standards for loss projection methodology and examines the methods employed in hurricane loss models used by private insurers in setting rates to determine whether they meet the Commission's standards. Only hurricane loss models or methods that the Commission has found to be accurate can be used by insurers to estimate the hurricane losses that are used to set property insurance rates. After the Commission finds a model to be accurate, an insurer has 60 days to use the model to predict the insurer's probable maximum loss "with respect to a rate filing."<sup>32</sup>

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<sup>30</sup> See s. 627.0628, F.S.

<sup>31</sup> S. 627.0628(2) (b), F.S.

<sup>32</sup> S. 627.0628(3) (d), F.S.

### **Zip Codes and Rating Territories for Motor Vehicle Insurance**

Section 627.062, F.S., is Florida's rating law. Among other requirements, it provides that insurance rates cannot be excessive, inadequate, or unfairly discriminatory. Insurer rate filings that comply with the law and are adequately supported by actuarial justification must be accepted by the OIR. Pursuant to s. 627.0651, F.S., the use of a single zip code as a rating territory for motor vehicle insurance rates is deemed unfairly discriminatory and is thus prohibited.

### **Premium Discounts for Motor Vehicle Insurance**

Section 627.0653, F.S., sets forth motor vehicle insurance discounts that insurers must offer for specified motor vehicle equipment. Insurers are required to provide a premium discount for liability, personal injury protection (PIP), and collision coverages if the insured vehicle is equipped with factory-installed, four-wheel antilock brakes. A premium discount on comprehensive coverage must be provided for an antitheft device or vehicle recovery system that is factory installed or approved by the OIR. Discounts must be provided on PIP and medical payments coverage if a vehicle has one or more factory installed airbags. The statute also allows, but does not require, insurers to provide a discount on comprehensive coverage for permanent etching of the vehicle identification number on all windows of the vehicle. Section 627.0652, F.S., requires insurers to provide a discount to insureds age 55 years or older who successfully complete a motor vehicle accident prevention course approved by the Department of Highway Safety and Motor Vehicles.

### **Workers' Compensation Retrospective Rating Plans**

Florida law requires every workers' compensation insurer to file with the OIR its rates and classifications that the insurer proposes to use.<sup>33</sup> Section 627.072, F.S., prescribes factors used in the determination of rates. Section 627.091(1), F.S., requires every insurer to file with the OIR every manual of classifications, rules, and rates, and every rating plan, which it proposes to use. Rate filings for workers' compensation are subject to approval by the OIR before they become effective. The standard for approving insurance rates in Florida and most states is that the rate may not be excessive, inadequate, or unfairly discriminatory.<sup>34</sup>

Current Florida law and the rating plans approved by OIR allow for various ways for insurers to compete in the market by varying or adjusting premiums, including retrospective (retro) rating plans that adjust the premium at the end of the policy period to reflect the actual loss experience of the employer. In a retro rating plan, the insurer and employer agree that the final premium paid will be based upon losses actually incurred in the policy period. The insurer and employer negotiate on certain expenses, charges, taxes, and assessments, based upon minimum and maximum premiums. Retrospective rating has been a component of workers' compensation

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<sup>33</sup> Section 627.091(4), F.S., allows an insurer to satisfy this obligation by becoming a member of a licensed rating organization, which makes such filings on its behalf. The law expressly provides that an insurer is not required to be a member of any rating organization, but all workers' compensation insurers in Florida have chosen to do so. Currently, all workers' compensation insurers are members of the National Council on Compensation Insurance.

<sup>34</sup> Section 627.062, F.S.

rating for over 50 years in Florida and nationwide. The National Council on Compensation Insurance (NCCI) has filed actuarially sound rating plans.

In 1991, the NCCI filed the Large Risk Alternative Rating Option (LRARO) in Florida. The LRARO was described as providing greater flexibility of negotiation between an insurer and employer for risks with over \$1,000,000 in standard premium.” In 1991, the Department of Insurance (predecessor of the Office of Insurance Regulation) disapproved the use of the LRARO on the basis that it did not comply with s. 627.091(1), F.S., and that the LRARO was not a rating plan but an agreement to use any factors acceptable to both parties.<sup>35</sup> Subsequently, in 1993, an insurer filed its own version of the LRARO and the Department of Insurance disapproved it. The rejection of the plan was primarily on the basis that the use of the LRARO would not allow agency oversight as to the determination of premiums since it proposed to allow the insurer and prospective insureds to agree unilaterally on the components to be used in the rating process.<sup>36</sup> The insurer appealed the disapproval to the Division of Administrative Hearings (DOAH) and DOAH found that the Department of Insurance was justified in disapproving the plan.

Currently, the LRARO plans are available in the majority of the states. However, Alaska, Arkansas, Florida, and Nebraska do not allow its use.<sup>37</sup> The NCCI retro plan rule, which does not apply in Florida, provides that an insured is eligible for the LRARO if the estimated standard premium individually or in any combination with any other commercial casualty lines of insurance exceeds an annual standard premium eligibility threshold of \$500,000 for the term of a retrospective rating plan. The following table provides examples of states with different annual standard premium eligibility thresholds for LRARO.<sup>38</sup>

<b>LRARO Premium Eligibility Threshold</b>	
<b>State</b>	<b>Annual Standard Premium</b>
Arizona	\$250,000
Kansas	\$1,000,000
Minnesota	\$250,000
Nevada	\$250,000
New Hampshire	\$250,000
North Carolina	\$250,000

<sup>35</sup> See *Liberty Mutual Insurance Company, et. al., v. State of Florida, Department of Insurance, Case No. 94-0892 (Fla. DOAH 1994)*.

<sup>36</sup> *Id.*

<sup>37</sup> E-mail from Lori Lovgren, NCCI (Mar. 4, 2014) (on file with Senate Committee on Banking and Insurance).

<sup>38</sup> *Id.*

### **Refunds to Insureds from the Workers' Compensation Joint Underwriting Association**

The Florida Workers' Compensation Joint Underwriting Association (FWCJUA)<sup>39</sup> is the market of last resort for workers' compensation and employers' liability coverage. Only employers that cannot find coverage in the voluntary market are eligible for coverage in the FWCJUA. At the end of October 2013, the FWCJUA had 1,636 policies with corresponding premiums of \$29.4 million.<sup>40</sup>

The FWCJUA has a three-tier rating plan. As a brief overview, Tier 1 is for employers with good loss experience; Tier 2 is for employers with moderate loss experience and non-rated new employers; and Tier 3 is for employers not eligible for Tiers 1 or 2.<sup>41</sup> As of January 1, 2014, the premium for Tier 1 is five percent above voluntary rates, Tier 2 is 20 percent above voluntary rates, and Tier 3<sup>42</sup> is 75 percent above voluntary rates. Additionally, all three tiers have a flat surcharge of \$475. Tier 3 policies are also subject to assessment if premiums are not sufficient to cover losses and expenses.

### **Misrepresentations on Insurance Applications and Cancellation of Insurance Policies**

Section 627.409, F.S., provides recovery under an insurance policy may be prevented if a misrepresentation, omission, concealment of fact, or incorrect statement on an application for insurance (1) is fraudulent or is material either to the acceptance of the risk or to the hazard assumed by the insurer or (2) if the true facts had been known to the insurer, the insurer would not have issued the policy, would not have issued it at the same premium rate, would not have issued a policy in as large an amount, or would not have provided coverage with respect to the hazard resulting in the loss. If an insurer discovers a misrepresentation or omission after issuing the policy, it may deny coverage after a claim is made. In *Nationwide Mutual Fire Insurance Company v. Kramer*,<sup>43</sup> an insurer refused to pay a claim for a stolen automobile because the insureds did not disclose a previous bankruptcy filing. In *Kieser v. Old Line Insurance Company of America*,<sup>44</sup> an insurance company refused to pay a life insurance policy because the insured failed to disclose certain health conditions and failed to disclose that he was shopping for other life insurance policies. In *Universal Property and Casualty Insurance Company v. Johnson*,<sup>45</sup> an insurance company refused to pay a property insurance claim because the insureds failed to disclose prior criminal history. A misrepresentation from or an omission in an insurance application need not be intentional in order for the insurance company to deny recovery.<sup>46</sup>

Section 627.4133(2), F.S., requires notice to the insured before an insurer can cancel, nonrenew, or terminate any personal lines or commercial residential property insurance policy. The timing

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<sup>39</sup> The Florida Workers' Compensation Insurance Plan (FWCIP) was the residual market for Florida until the FWCJUA was created on January 1, 1994.

<sup>40</sup> See "2013 Workers' Compensation Annual Report," Florida Office of Insurance Regulation (December 31, 2013). Available at: [http://www.flor.com/search/search.aspx#2013 workers compensation annual report](http://www.flor.com/search/search.aspx#2013%20workers%20compensation%20annual%20report) (Last accessed March 21, 2014).

<sup>41</sup> For further specifics, see the FWCJUA's website: <http://www.fwcjua.com/>.

<sup>42</sup> In addition, an Assigned Risk Adjustment Program (ARAP) surcharge applies for Tier 3.

<sup>43</sup> 725 So.2d 1141 (Fla. 2<sup>d</sup> DCA 1998).

<sup>44</sup> 712 So.2d 1261 (Fla. 1<sup>st</sup> DCA 1998).

<sup>45</sup> 114 So.3d 1031 (Fla. 1<sup>st</sup> DCA 2013).

<sup>46</sup> *Universal Property and Casualty Insurance Company*, 114 So.3d at 1035.

of the notice ranges from ten days for nonpayment of premium to 120 days for certain policyholders.<sup>47</sup> After the policy has been in effect for 90 days, such a policy cannot be canceled unless there has been a material misstatement, a nonpayment of premium, a failure to comply with underwriting requirements within 90 days after the date of effectuation of coverage, or a substantial change in the risk covered by the policy.<sup>48</sup> According to the DFS, there are instances of insurance companies reviewing a policyholder's application for insurance after a claim has been filed and denying coverage based on misrepresentations about credit history.<sup>49</sup>

### **Notice of Cancellation or Nonrenewal**

The requirements for an insurer to give notice of cancelling or nonrenewing a residential property insurance policy are contained in s. 627.4133(2), F.S. The specific notice depends on the particular circumstances of the policy being nonrenewed, as follows:

- Generally, an insurer must give the insured 100 days written notice of nonrenewal or cancellation;
- For any nonrenewal or cancellation that would be effective between June 1 and November 30 (hurricane season), an insurer must give notice by June 1, or 100 days, whichever is earlier;
- If the nonrenewal or cancellation would be effective between June 1 and November 30, but the reason is a revision in sinkhole coverage, the insurer must give the insured 100 days written notice of nonrenewal;
- If the nonrenewal or cancellation would be effective between June 1 and November 30, but the policy is to be nonrenewed by Citizens pursuant to an approved assumption plan by an authorized insurer, Citizens must give the insured 45 days written notice of nonrenewal;
- If the insured structure has been insured by the insurer or an affiliate for at least five years, the insurer must give 120 days' notice of nonrenewal or cancellation;
- If the cancellation is for nonpayment of premium, the insurer must give 10 days' notice of cancellation accompanied by the reason for the cancellation;
- If the OIR finds that the early cancellation is necessary to protect the best interests of the public or policyholders, the insurer must give the insured 45 days' written notice of cancellation or nonrenewal;
- If a policy covers both home and motor vehicle, the insurer must give the insured 100 days written notice of nonrenewal.

### **Required Disclosures by Liability Insurers**

Under current law, a liability insurer must provide to a claimant a statement containing the following information within 30 days of a written request by the claimant:

- The name of the insurer;
- The name of each insured;
- The limits of the liability coverage;
- A statement of any policy or coverage defense which such insurer reasonably believes is available to the such insurer at the time of filing such statement; and

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<sup>47</sup> See s. 627.4133(2), F.S.

<sup>48</sup> *Id.*

<sup>49</sup> See Department of Financial Services, *Senate Bill 708 Analysis* (February 4, 2014)(on file with the Committee on Banking and Insurance).

- A copy of the policy.

Further, the above statement must be under oath by a corporate officer or the insurer's claims manager or superintendent.

### **Delivery of Insurance Policies Electronically**

Section 627.421, F.S., requires every insurance policy<sup>50</sup> to be mailed or delivered to the insured (policyholder) within 60 days after the insurance takes effect. Insurance policies are typically only delivered when the policy is issued and are not delivered each time the policy is renewed. The Federal Electronic Signatures in Global and National Commerce Act (E-SIGN) applies to electronic transactions involving interstate commerce.<sup>51</sup> Insurance is specifically included in E-SIGN.<sup>52</sup> E-SIGN provides contracts formed using electronic signatures on electronic records will not be denied legal effect only because they are electronic. However, E-SIGN requires consumer disclosure and consent to electronic records in certain instances before electronic records will be given legal effect. Under E-SIGN, if a statute requires information to be provided or made available to a consumer in writing, the use of an electronic record to provide or make the information available to the consumer will satisfy the statute's requirement of writing if the consumer affirmatively consents to use of an electronic record. The consumer must also be provided with a statement notifying the consumer of the right to have the electronic information made available in a paper format and of the right to withdraw consent to electronic records, among other notifications.

In addition, s. 668.50, F.S., Florida's Uniform Electronic Transaction Act (UETA), is similar to the federal E-SIGN law. The UETA specifically applies to insurance and provides a requirement in statute that information that must be delivered in writing to another person can be satisfied by delivering the information electronically if the parties have agreed to conduct a transaction by electronic means.

In 2013, legislation<sup>53</sup> was enacted allowing all insurance policies to be electronically transmitted to the policyholder. The legislation also contained specific electronic delivery parameters for insurance covering commercial risks.

### **Change of Policy Terms in Insurance Policies**

An insurer must give the policyholder written Notice of Change in Policy Terms with the policy renewal notice to make a change in the terms of a property and casualty insurance contract. Additionally, the notice must comply with current law, which requires insurers to give notice of renewal 45 days prior to the renewal date.<sup>54</sup> A policyholder is deemed to accept the policy term change if the renewal premium is paid. If the insurer does not provide the Notice of Change in Policy Terms to the policyholder, the terms of the insurance policy are not changed.

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<sup>50</sup> s. 627.402, F.S., defines policy to include endorsements, riders, and clauses. Reinsurance, wet marine and transportation insurance, title insurance, and credit life or credit disability insurance policies do not have to be mailed or delivered. (see s. 627.401, F.S.)

<sup>51</sup> Section 101, Electronic Signatures in Global and National Commerce Act, Pub. L. no. 106-229, 114 Stat 464 (2000). Many of the provisions of E-SIGN took effective October 1, 2000.

<sup>52</sup> *Id.*

<sup>53</sup> Ch. 2013-190, L.O.F.

<sup>54</sup> s. 627.43141, F.S.

## **Mitigation Discount Verification for Citizens Property Insurance Corporation**

Since 2003, insurers have been required to provide mitigation credits, discounts, other rate differentials, or reductions in deductibles (mitigation discounts) to reduce residential property insurance premiums for properties with mitigation features.<sup>55</sup> Section 627.711, F.S., requires insurers to clearly notify an applicant or policyholder of a personal lines residential property insurance policy of the availability and range of each premium discount, credit, other rate differential, or reduction in deductibles, for wind mitigation. The notice must be provided when the policy is issued and renewed.

Typically, policyholders are responsible for substantiating to their insurers that the insured property has mitigation features. Policyholders submit a completed uniform mitigation verification inspection form to the insurer to substantiate mitigation features. Insurers must accept mitigation forms prepared by home inspectors, building code inspectors, contractors, engineers, and architects and may accept forms prepared by persons determined to be qualified by the insurer to prepare the form.

Insurers can require mitigation forms provided to the insurer by mitigation inspectors or mitigation inspection companies be independently verified for quality assurance purposes before accepting the mitigation form as valid. The insurer must pay for the independent verification.<sup>56</sup> At their expense, insurers can also independently verify, for quality assurance purposes, mitigation forms submitted by policyholders or insurance agents.

## **Personal Injury Protection Insurance (PIP)**

In 2012, the Legislature enacted HB 119,<sup>57</sup> making substantial changes to laws applying to Florida's PIP requirements. Among numerous other changes, the bill amended s. 627.736(5)(a)2., F.S., by establishing the date on which changes to the Medicare fee schedule or payment limitation are effective. The new provision states, in part:

[T]he applicable fee schedule or payment limitation under Medicare is the fee schedule or payment limitation in effect on March 1 of the year in which the services, supplies, or care is rendered...and the applicable fee schedule or payment limitation applies throughout the remainder of that year....

The above language created uncertainty as to whether the Medicare fee schedule in place on March 1st applied just to the end of the calendar year or applied through the end of February of the following year. On November 6, 2012, the OIR issued Informational Memorandum OIR-12-06M,<sup>58</sup> stating that the plain language of the section requires the fee schedule in place on March 1, to apply throughout the following 365 days, or until March 1, of the following year.

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<sup>55</sup> s. 627.0629(1)(a), F.S. Mitigation features are construction techniques used or items purchased and installed by a property owner to protect a structure against windstorm damage and loss. (e.g., hurricane shutters, hip roof, specified roof covering).

<sup>56</sup> s. 627.711(8), F.S.

<sup>57</sup> Ch. 2012-151, L.O.F.

<sup>58</sup> Available at <http://www.flair.com/Sections/PandC/ProductReview/PIPInfo.aspx>. Last visited March 16, 2013.

## **Preinsurance Inspection of Private Passenger Motor Vehicles**

Section 627.744, F.S., requires preinsurance inspections of private passenger motor vehicles, but lists various exemptions, including for new, used motor vehicles “purchased” from a licensed motor vehicle dealer or leasing company when the insurer is provided with the bill of sale, buyer’s order, or copy of the title and certain other documentation. Despite the exemptions, an insurer may require a preinsurance inspection of any motor vehicle as a condition of issuance of physical damage coverage. Applicants for insurance may be required to pay the cost of the preinsurance inspection, not to exceed five dollars.

## **Title Insurance**

In Florida, title insurers operate on a monoline basis, meaning that the insurer can only transact title insurance and cannot transact any other type of insurance. Pursuant to s. 627.782, F.S., the Financial Services Commission (FSC) is mandated to adopt a rule specifying the premium to be charged by title insurers for the respective types of title insurance contracts and, for policies issued through agents or agencies, the percentage of such premium required to be retained by the title insurer, which shall not be less than 30 percent. The FSC must review the premium not less than once every three years. Title insurers and title insurance agencies are required to submit to the Office of Insurance Regulation (OIR), on or before March 31st of each year, revenue, loss, and expense data for the most recently concluded year that are determined necessary to assist in the analysis of premium rates, title search costs, and the condition of the Florida title insurance industry.

## **Model Holding Company Act and Regulations**

For years, the OIR’s financial oversight authority has included a review of transactions among affiliates and members of insurance holding companies by adopting the National Association of Insurance Commissioners’ (NAIC) Model Insurance Holding Company Act.

In response to the recent financial crisis, the NAIC’s Solvency Modernization Initiative (SMI)<sup>59</sup> studied key group supervision issues for insurance holding company systems. In light of the 2008 liquidity crisis and collapse of American International Group, Inc., the SMI’s efforts focused on the risks and activities of non-insurance entities within insurance holding companies, concluded there was a corresponding regulatory need to obtain affiliates’ financial information, such as enterprise risk. The NAIC model act defines “enterprise risk” as:

[A]ny activity, circumstance, event, or series of events involving one or more affiliates of an insurer that, if not remedied promptly, is likely to have a material adverse effect upon the financial condition or liquidity of the insurer or its insurance company as a whole, including, but not limited to, anything that would cause the insurer’s risk-based capital as set forth in [state requirement] or would cause the insurer to be in a hazardous financial condition.<sup>60</sup>

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<sup>59</sup> NAIC Solvency Modernization Initiative (last viewed February 3, 2014), at [http://www.naic.org/index\\_smi.htm](http://www.naic.org/index_smi.htm)

<sup>60</sup> Section 1(F) of the NAIC Model Insurance Holding Company System Regulatory Act.



As a result, the NAIC adopted revisions to its *Model Insurance Holding Company System Regulatory Act and Regulations* in December 2010, which states must adopt as an accreditation component. These revisions include:

- Expansions to regulators' ability to evaluate any entity within an insurance holding company system;
- Enhancements to the regulator's rights to access books and records and to compel production of information;
- Establishment of expectation of funding with regard to regulator participation in supervisory colleges;
- Enhancements in corporate governance, such as board of directors and senior management responsibilities;
- The inclusion of financial statements as part of an affiliate's registration requirements; and
- Enterprise risk reporting requirements.

Currently, s. 628.461, F.S., provides that a person or affiliated person<sup>61</sup> must file a letter of notification and a statement for the OIR's approval before concluding a tender offer to acquire five percent or more of a domestic stock insurer or of a controlling company. The statute also sets forth the information required to be disclosed in the statement, which includes criminal and regulatory history information. Alternatively, a party acquiring less than 10 percent of the outstanding voting securities of an insurer may file a disclaimer of affiliation of control, and such disclaimer must fully disclose all material relationships and affiliation with the insurer, as well as the reason for such disclaimer (this disclaimer is mandatory for acquisitions of more than 10 percent).

During the pendency of the OIR's review of an acquisition filing, the insurer is not permitted to make a "material change" to its operation or management, unless the OIR has approved or been notified, respectively. A "material change" consists of a disposal or obligation of five percent or more of the insurer's capital and surplus, or a change in management involving a person who has the authority to dispose or obligate five percent of the insurer's capital and surplus.

### **Service Warranty Associations**

A service warranty is generally defined as a contract to perform the repair or replacement of a consumer product for failure due to a defect.<sup>62</sup> A service warranty association is defined as any person, other than an authorized insurer, issuing service warranties.<sup>63</sup>

Section 634.406, F.S., establishes the financial requirements, ratios, and limitations on service warranty associations. A service warranty association can allow its premiums to exceed the ratio to net assets limitations of s. 634.406, F.S., only if the association meets all of the following:

- Maintains net assets of at least \$750,000.
- Utilizes a contractual liability insurance policy approved by the office which:

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<sup>61</sup> Currently, "affiliated person" is defined in s. 628.461(12)(a), F.S., to include spouses, parents and lineal descendants, and persons affiliated through 5 percent ownership, common control, or management.

<sup>62</sup> S. 634.401(13), F.S.

<sup>63</sup> S. 634.401(14), F.S.

- Reimburses the service warranty association for 100 percent of its claims liability and is issued by an insurer that maintains a policyholder surplus of at least \$100 million; or
- Complies with the requirements of subsection (3)<sup>64</sup> and is issued by an insurer that maintains a policyholder surplus of at least \$200 million.
- The insurer issuing the contractual liability insurance policy:
  - Maintains a policyholder surplus of at least \$100 million.
  - Is rated “A” or higher by A.M. Best Company or an equivalent rating by another national rating service acceptable to the OIR.
  - Is in no way affiliated with the warranty association.
  - Provides a statement certifying the gross written premiums is covered under the contractual liability policy, whether or not it has been reported.

The statute further requires that a contractual liability policy must insure 100 percent of an association’s claims exposure under all of the association’s service warranty contracts, unless numerous specified conditions are met.

### III. Effect of Proposed Changes:

#### Unaffiliated Agents (Sections 2, 3, 8, and 42)

According to the DFS, some insurance agents act as advisors to clients for a fee. These agents provide advice and recommendations regarding, among other things, insurance products but do not sell the products. **Section 3** defines in s. 626.015(18), F.S., a new type of insurance agent, an unaffiliated insurance agent, and **Section 8** specifies the scope of the license in s. 626.311, F.S. This agent acts as an independent consultant in the business of analyzing or abstracting insurance policies, providing insurance advice or counseling, or making specific recommendations or comparisons of insurance products for a fee established in advance by a written contract signed by the parties. This bill defines this type of agent as a licensed insurance agent, except a limited lines agent, who is not appointed by or affiliated with any insurer, but is self-appointed. This bill prohibits an unaffiliated insurance agent from holding an appointment from an insurer, from transacting an insurance contract for an insurer, and from interfering with commissions from an appointed insurance agent. Unaffiliated insurance agents may continue to receive commissions on sales made before the date of appointment as an unaffiliated insurance agent as long as the agent discloses the receipt of commissions to the client when making recommendations or evaluating products of the entity from which commissions are received.

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<sup>64</sup> Subsection (3) of s. 634.406, F.S., states that a warranty association need not establish an unearned premium reserve if it purchases contractual liability insurance that covers 100 percent of its claims liability from an authorized insurer. The terms of the policy must contain the following (a) state the insurer will pay losses and unearned premium refunds directly to a person making a claim under the warranty association contract in the event the services warranty association does not do so; (b) the insurer must assume full responsibility for administering claims if the warranty association cannot do so; (c) 60 days written notice must be given to the OIR prior to policy cancellation; (d) the policy must insure all service warranty contracts issued while the policy was in effect whether or not the premium has been remitted to the insurer; (e) If the insurer is fulfilling the service warranty covered by the policy and the service warranty holder cancels the warranty, the insurer must fully refund unearned premium, subject to a cancellation fee under s. 634.414, F.S.; and (f) a warranty association may not use an unearned premium reserve and contractual liability insurance policy simultaneously. However, the warranty association may have contractual liability coverage on service warranties previously sold and sell new service warranties covered by the unearned premium reserve, and the converse. The warranty association must be able to distinguish how each individual service warranty is covered.

The unaffiliated agent is not appointed by an insurer to sell insurance products. This can lead to a situation where an agent's license expires because the agent is not appointed during a four-year period.<sup>65</sup> This bill allows an unaffiliated agent to appoint himself or herself. **Section 2** amends s. 624.501, F.S., to require unaffiliated insurance agents to pay the same agent appointment fees required under current law for agents appointed by insurers.

**Section 42** creates s. 627.4553, F.S., to require insurance agents, insurers, or persons performing insurance agent activities under an exemption from licensure, who recommend that a consumer surrender an annuity or life insurance policy with a cash value, but who do not recommend that another such policy be purchased with the proceeds from the surrender, to provide the consumer with information relating to the product to be surrendered before execution of the surrender. The information must include that the amount of any surrender charge, tax consequences resulting from the transaction, and forfeited death benefit. The consumer must also be informed about the loss of any minimum interest rate guarantees and the value of any other investment performance guarantees that will be forfeited as a result of the transaction. This bill requires the DFS to adopt rules and forms so the required information can be provided.

#### **Agent in Charge and Branch Agencies (Sections 4, 13, and 14)**

Effective January 1, 2015, **Section 4** creates s. 626.0428(4), F.S., which defines an agent in charge as the licensed and appointed agent responsible for the supervision of all individuals within an insurance agency location. Each business location established by an agent or insurance agency must be in the active full-time charge of a licensed and appointed agent holding the required licenses for the lines of insurance transacted at the location. The agent in charge of an insurance agency may be the agent in charge of additional branch locations if: (1) insurance activities requiring licensure as an insurance agent do not occur at the locations when an agent is not physically present, and (2) unlicensed employees at the locations do not engage in insurance activities that require licensure as an insurance agent or customer representative.

This bill requires each insurance agency and branch office to designate an agent in charge and to file the agent's name, license number, and physical address of the insurance agency location with the DFS at the DFS website. A change of the designated agent in charge must be reported to the DFS within 30 days, and becomes effective upon notification to the DFS.

This bill provides that an insurance agency location is precluded from conducting the business of insurance unless an agent in charge is designated by and providing services to the agency at all times. When the agent in charge ends his or her affiliation with the agency, the agency must designate another agent in charge within 30 days. If the agency fails to make such designation within 90 days after the designated agent has ended his or her affiliation with the agency, the agency license automatically expires 91 days after the designated agent ended his or her affiliation with the agency.

This bill provides that an agent in charge of an insurance agency is accountable for the wrongful acts, misconduct or violations committed by the licensee or agent or by any person under her or

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<sup>65</sup> Phone interview with DFS staff.

his supervision acting on behalf of the agency. However, the agent in charge is not criminally liable for the misconduct unless she or he personally committed the act or knew or should have known of the acts and of the facts that constitute the violation.

**Section 13** repeals s. 626.747, F.S., relating to branch agencies, effective January 1, 2015. The section is incorporated and expanded in the new s. 624.0428(4), F.S.

**Section 14** amends, s. 626.8411(1)(b), F.S., correcting a cross reference to properly cite the new branch agency requirements created by Section 7.

### **Not-For-Profit Self-Insurance Funds**

**Section 1** amends s. 624.4625(1)(b), F.S., to permit a publicly supported organization, as evidenced by the participating member's most recently filed Internal Revenue Service Form 990 or 990-EZ, Schedule A, to participate as a member of a not-for-profit self-insurance fund. This option is in addition to current law which provides that each member receive at least 75 percent of its revenues from local, state, or federal government sources.

### **Insurance Agency Licensing and Registration (Sections 5 and 6)**

**Section 5** amends s. 626.112, F.S., prohibiting the DFS from issuing limited customer service licenses, effective October 1, 2014.

**Section 6** also amends s. 626.112, F.S., eliminating the insurance agency licensing requirement for agencies that are owned and operated by a single licensed agent who conducts business in her or his own name and does not employ or use other insurance licensees, effective January 1, 2015.

The bill provides that a branch place of business established by a licensed agency is considered a branch agency.<sup>66</sup> A branch agency is not required to be licensed if it: (1) transacts business under the same name and federal tax identification number as the licensed agency and has designated with the DFS a licensed agent in charge of the branch location; and (2) has submitted to the DFS for inclusion in the licensing record of the licensed agency the address and telephone number of the branch location within 30 days after insurance transactions began at the branch location.

This bill no longer allows certain insurance agencies to obtain a registration in lieu of a license and makes conforming changes due to this repeal. This bill converts all agency registrations to licenses effective October 1, 2015. Effective January 1, 2015, the bill also eliminates the three-year expiration of an agency license. Thus, an agency license will continue in force until canceled, suspended, revoked, or until it is otherwise terminated or it expires by operation of law.

**Section 7** amends s. 626.172, F.S., allowing an owner, partner, officer, director, president, senior vice president, secretary, treasurer, and limited liability company member who directs or participates in the management and control of the agency, to complete and sign an insurance

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<sup>66</sup> This bill further provides that a license issued to a business entity that offers motor vehicles for rent encompasses each employee or authorized representative at a designated branch.

agency application. This bill also allows a third party to complete, submit, and sign an agency license application on the agency's behalf. However, the agency is responsible for ensuring that the information provided by the third party is true and correct and is accountable for any misstatements or misrepresentations.

This bill also requires additional information relating to an agency or branch agency to be provided on the agency license application. Such additional information includes the name, address, and e-mail address of the agency's registered agent or person authorized to accept service on the agency's behalf, the physical address of the branch location, including its name, e-mail address, and telephone number, the date that the branch office began transacting insurance, and the fingerprints of each individual required to be listed in the agency application.

### **Motor Vehicle Retail Insurance License**

**Section 9** amends s. 626.321(1), F.S., changing the limited license statute for motor vehicle rental insurance. Under current law, a limited license to sell motor vehicle rental insurance can be issued to a business that offers motor vehicles for rent or lease. A license issued to a rental business covers each office, branch office, or place of business associated with the rental business. The bill expands this coverage to include each employee working at the rental business. Thus, all employees would be covered by the rental business' license to sell rental insurance. According to DFS, the agency interprets the current law relating to rental insurance licensing to mean the license for the rental company business covers each branch office and each employee working at the rental business. Thus, the change made by the bill is clarifying and is consistent with the application of the current law by the DFS.

### **Continuation of Insurance Agency Licensure**

**Section 10** amends s. 626.382, F.S., to allow an insurance agency license to continue in force until it is cancelled, suspended, revoked, terminated, or expires by operation of law. Under current law, the license is issued for a three-year period and may be renewed.

### **Mediators, Navigators, and Neutral Evaluators (Sections 11, 43, 45, 46, 47, and 51)**

**Section 11** amends s. 626.601, F.S., to authorize the Department of Financial Services to inquire into alleged improper conduct of mediators, neutral evaluators, and navigators and subsequently initiate and conduct an investigation if reasonable cause exists of an insurance code violation.

**Section 43** amends s. 627.7015(4)(b), F.S., to specify that the requirements for qualification as a mediator of liability claims under s. 627.745, F.S., are also the standards that the DFS applies for denial of application, suspension, revocation, and other penalties for mediators who participate in the DFS property insurance mediation program.

**Section 45** amends s. 627.706(2)(c), F.S., to specify that a sinkhole neutral evaluator is a person who is not otherwise ineligible for certification as a neutral evaluator under s. 627.7074, F.S.

**Sections 46 and 51** amend s. 627.7074, F.S., and s. 627.745, F.S., to require the DFS to deny an application or revoke its approval of a mediator or neutral evaluator for any of the following:

- Lack of one or more of the qualifications required for approval or certification.
- Material misstatement, misrepresentation, or fraud in obtaining or attempting to obtain approval or certification.
- Demonstrated lack of fitness or trustworthiness to act as a mediator or neutral evaluator.
- Fraudulent or dishonest practices in the conduct of mediation or neutral evaluation or in conducting business in the financial services industry.
- Violation of any provision of the Florida Insurance Code; a lawful order or rule of the DFS; or aiding, instructing, or encouraging another party to commit such a violation.

The bill grants rulemaking authority to administer these requirements.

**Section 51** also changes the requirements for qualifying as a mediator under the motor vehicle insurance claim mediation program for personal injury claims of \$10,000 or less, or for property damage claims of any amount. Under the bill, a mediator must possess an active certification as a Florida Circuit Court Mediator or be an appointed department mediator as of July 1, 2014, who has conducted at least one mediation on behalf of the DFS within four years prior to that date. This provision essentially grandfathers in current and active mediators so they can continue, even if they are not certified as a Florida Circuit Court Mediator. The bill eliminates the 40-hour mediation training program and test that all mediators currently must complete in order to be approved as a mediator under the program. In order to become certified as a Florida Circuit Court Mediator, one must fulfil education requirements set by the Florida Supreme Court, complete a mediation training program certified by the Florida Supreme Court, and observe and conduct mediations under the supervision of a certified mediator.<sup>67</sup>

**Section 12** amends s. 626.621, F.S., to allow the DFS to deny an application for, suspend, revoke, or refuse to renew or continue a license or appointment of an agent, adjuster, customer representative, service representative, or managing general agent who directly or indirectly accepts any compensation, inducement, or reward from an inspector or inspection company for referring the owner of the property to the inspector or inspection company.

### **Insurance Company Adjusters – Notice Requirement**

**Section 15** repeals s. 626.854(16), F.S., which currently requires insurance company employee adjusters, independent adjusters, attorneys, investigators, or other persons acting on behalf of an insurer to provide at least 48 hours' notice to the insured, claimant, public adjuster, or legal representative before scheduling a meeting with the claimant or an onsite inspection of the insured property. A prohibition on public adjusters contacting or contracting with insureds and claimants within 48 hours of a loss in s. 626.854(6), F.S., was ruled unconstitutional by the Florida Supreme Court in 2012.

### **Insurance Administrators – Certificate of Authority Requirements**

**Section 16** amends s. 626.8805, F.S., changing the information that must be filed with the OIR or made available for OIR inspection as part of an application for a certificate of authority to act as an insurance administrator. The bill requires the applicant to provide the names, addresses,

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<sup>67</sup> See <http://www.flcourts.org/core/fileparse.php/283/urlt/HowToBecomeMediator.pdf> (last accessed February 7, 2014).

official positions, and professional qualifications of individuals who are employed or retained by the administrator and who are responsible for the conduct of the affairs of the administrator. Current law contains a broader standard, requiring information of any person who exercises control or influence over the affairs of the administrator.

### **Insurance Administrators – Oversight Responsibilities of Insurers**

**Sections 17-20** amend ss. 626.8817, 626.882, 626.883, and 626.884, F.S., to allow an insurer who uses the services of an administrator to contract with a qualified third party to conduct the required semiannual review of an administrator that administers benefits for more than 100 certificateholders on behalf of the insurer.

The bill also specifies that the written agreement between an insurer and an administrator that details the responsibilities of the insurer and administrator specifies the rights, duties, and obligations of the administrator and insurer. Any restrictions regarding the proprietary rights of the insurer and administrator related to continuing access to books and records maintained by the administrator are governed by the written agreement between the parties required under s. 626.8817, F.S.

### **Insurance Administrators – Annual Financial Statement**

**Section 21** amends s. 626.89, F.S., to change to April 1 date by which an administrator must file an annual financial statement with the OIR. The bill also allows the financial statement to cover the previous fiscal year, rather than a calendar year, if the administrator's accounting is on a fiscal year basis.

### **Repeal of Surplus Lines Agent Affidavit Requirement**

**Section 22** amends s. 626.931, F.S., to eliminate the requirement that each surplus lines agent must, on or before the 45<sup>th</sup> day following each calendar quarter, file with the Florida Surplus Lines Service Office (FSLSO) an affidavit stating that all surplus lines insurance he or she transacted during that calendar year has been submitted to the FSLSO and that includes efforts made to place coverage with authorized insurers and the results of those efforts. However, surplus lines agents must still file a copy of information on each surplus lines transaction with the FSLSO in accordance with the FSLSO's plan of operation.

**Sections 23-25** amend ss. 626.932, 626.935, and 626.936, F.S., to conform to the elimination of the affidavit requirement in s. 626.89, F.S.

### **Insurance Discounts for Motor Vehicle Equipment**

**Section 30** amends s. 627.0653, F.S., to specify that the OIR, when reviewing a rate filing for liability, personal injury protection, and collision coverages for motor vehicle insurance policies, may approve a premium discount applicable to the rates for vehicles equipped with electronic vehicle crash avoidance technology that is factory installed or a retrofitted system that complies with the National Highway Traffic Safety Administration standards.

### **Use of Hurricane Models in Rate Filings**

**Section 27** amends s. 627.062, F.S., to specify that the Office of Insurance Regulation, when reviewing a rate filing, must consider projections of hurricane losses estimated using a straight average of model results or output ranges independently found acceptable or reliable by the Florida Commission on Hurricane Loss Projection Methodology, and as further provided in s. 627.0628, F.S.<sup>68</sup>

**Section 28** amends s. 627.0628, F.S., to increase from 60 days to 180 days the time an insurer is not required to use the newest version of a model approved by the Commission on Hurricane Loss Projection Methodology. This section also specifies that an insurer is not prohibited from using a straight average of model results or output ranges or using straight averages in a rate filing.

### **Motor Vehicle Insurance Rating**

**Section 31** amends s. 627.072, F.S., to permit new motor vehicle insurance rating programs or changes to existing programs that result in at least a single zip code as a rating territory for motor vehicle insurance rates. The bill will allow the use of such territories that are filed with the OIR if the territory incorporates sufficient loss data to be actuarially measurable and credible. The OIR would determine if the rates for such territories are excessive, inadequate, or unfairly discriminatory. Current law prohibits the use of a single zip code as a rating territory as being unfairly discriminatory.

### **Workers' Compensation Retrospective Rating Plans**

**Section 31** amends s. 627.0651, F.S., allowing an insurer and employer to negotiate the retrospective plan rating factors that can be used for calculating the premium when the employer has multistate exposure and an annual estimated countrywide standard premium of \$750,000 or more for workers' compensation.

**Section 32** requires the OIR, in consultation with the National Council on Compensation Insurance, to prepare a report analyzing the use of the negotiated workers' compensation premium provisions within retrospective rating plans. The report must be delivered by November 1, 2014, to the President of the Senate and the Speaker of the House of Representatives.

**Section 33** provides a technical conforming cross reference in s. 627.281, F.S.

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<sup>68</sup> Section 627.0628, F.S., tasks the Florida Commission on Hurricane Loss Projection Methodology with considering actuarial methods, principles, standards, models, or output ranges that have the potential for improving the accuracy or reliability of hurricane loss projections used in rate filing and probable maximum loss levels. Insurers are prohibited from using in a rate filing a modified or adjusted model, actuarial method, principle, standard, or output range that the commission has found accurate or reliable.



### **Florida Workers' Compensation Joint Underwriting Association (FWCJUA) Dividend and Premium Refunds**

**Section 34** amends s. 627.311(5)(h), F.S., authorizing the FWCJUA to retain for future use any dividends that cannot be paid to former insureds of the FWCJUA for reasons set forth in the declaration of the dividend. Currently, the FWCJUA reports the property<sup>69</sup> and owner's name, last known address, and other information to the Department of Financial Services, Bureau of Unclaimed Property. The owner can claim her or his property at no cost, any time, regardless of the amount.<sup>70</sup> The bill eliminates the ability of a person to recover unclaimed property that is left in possession of the FWCJUA at any time in the future. The FWCJUA will not report unclaimed property to the DFS and will ultimately use the unclaimed funds in its possession.

### **Repeal of Duplicative Citizens Property Insurance Corporation Report**

**Section 36** repeals 627.3519, F.S., because it requires a report that is duplicative of the report required under s. 627.35191, F.S.

### **Misrepresentations on Insurance Applications and Cancellation of Insurance Policies**

**Section 37** amends s. 627.409, F.S. The bill provides that if a residential property insurance policy or contract has been in effect for more than 90 days, a claim filed by the insured cannot be denied based on credit information available in the public record. The bill does not change the law relating to other types of insurance or other types of misrepresentations (such as a misrepresentation regarding health or criminal history).

**Section 38** amends s. 627.4133(2)(b), F.S., to provide that after a policy or contract has been in effect for more than 90 days, the insurer may not cancel or terminate the policy or contract based on credit information available in public records.

### **Residential Property Insurance Notice of Cancellation Requirements**

**Section 38** amends s. 627.4133(2)(b), F.S., to reduce to 120 days the advance written notice of nonrenewal, cancellation, or termination an insurer must give the first-named insured of a personal lines or commercial residential property insurance policy.

**Section 35** provides a technical conforming cross reference in s. 627.3518, F.S.

### **Insurer Sworn Statement Detailing Liability Coverage and Alleged Defenses**

**Section 39** amends s. 627.4137, F.S., to authorize the licensed company adjuster of an insurer that provides liability insurance coverage to provide the sworn statement required by current law setting forth the name of the insurer, the name of each insured, the limits of liability coverage, a statement of each policy defense the insurer reasonably believes is available, and a copy of the

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<sup>69</sup> Over the past 5 years, the FWCJUA has reported unclaimed property totaling \$279,499.06 to the DFS. The amount for each year follows: \$16,388.32 (2009); \$87,813.27 (2010); \$63,552.52 (2011); \$73,631.27 (2012); \$38,113.68 (2013).

<sup>70</sup> See chap. 717, F.S., (the Florida Disposition of Unclaimed Property Act) and information on unclaimed property on the website of the Florida Department of Financial Services: <http://www.myfloridacfo.com>.

policy. Current law allows the sworn statement to be provided by only the insurer's claims manager or superintendent, or a corporate officer of the insurer.

### **Electronic Delivery of Personal Lines Insurance Policies**

**Section 40** amends s. 627.421, F.S., allowing insurers to deliver insurance policies by electronic means in lieu of delivery by mail if the policyholder affirmatively elects electronic delivery. The bill does not likely implicate E-SIGN or UETA because it requires the affirmative consent of the policyholder before the electronic delivery of insurance policy documents.

### **Notice of Change in Policy Terms Delivered Separately from Notice of Renewal Premium**

**Section 41** amends s. 627.43141(2), F.S., to allow the Notice of Change in Policy Terms to be sent separately from the Notice of Renewal Premium. If a separate notice is used, it must comply with the nonrenewal mailing time requirement for that particular line of business. Insurers must also provide or make available electronically the Notice of Change in Policy Terms to the insured's insurance agent before or at the same time the notice is given to the insured.

### **Information Required With the Surrender of Life Insurance or Annuity**

**Section 42** creates s. 627.4553, F.S., to require insurance agents, insurers, or persons performing insurance agent activities under an exemption from licensure, who recommend that a consumer surrender an annuity or life insurance policy with a cash value, but who do not recommend that another such policy be purchased with the proceeds from the surrender, to provide the consumer with information relating to the product to be surrendered before execution of the surrender. The information must include that the amount of any surrender charge, tax consequences resulting from the transaction, and forfeited death benefit. The consumer must also be informed about the loss of any minimum interest rate guarantees and the value of any other investment performance guarantees that will be forfeited as a result of the transaction. This bill requires the DFS to adopt rules and forms so the required information can be provided.

### **Conflict of Interest Standards for Residential Property Insurance Appraisal Umpires**

**Section 44** creates s. 627.70151, F.S., to only allow a residential property insurer or policyholder to challenge the impartiality of an appraisal umpire if:

- A familial relationship within the third degree exists between the umpire and a party or a representative of a party;
- The umpire previously professionally represented a party or party representative in the same or a substantially related matter;
- The umpire has represented another person in a professional capacity on the same claim or a substantially related claim whose interests are materially adverse to the interests of any party; or
- The umpire has been an employer or employee of a party within the preceding five years.

### **Notice to Policyholder of Availability of Sinkhole Neutral Evaluation**

**Section 46** amends s. 627.7074(3), F.S., to limit the circumstances when an insurer must notify a policyholder of the right to participate in neutral evaluation of a sinkhole claim. The insurer must provide the notice only if there is sinkhole coverage on the damaged property and if the sinkhole claim was submitted within the statute of limitations period which is two years after the policyholder knew or reasonably should have known about the sinkhole loss. There are no parameters under current law about notification of neutral evaluation. Thus, insurers are required to notify a policyholder about neutral evaluation in cases where there is no sinkhole coverage or when the sinkhole claim is untimely filed.

**Section 47** amends s. 627.711(8), F.S., to provide an exception to the mitigation form independent verification process for Citizens only. The bill does not allow independent verification of mitigation discount forms submitted to Citizens if a quality assurance program approved by Citizens reviewed and verified the form when it was submitted. In addition, Citizens is not allowed to reinspect a property to confirm mitigation features if the mitigation form was reviewed and verified by a quality assurance program approved by them.

### **Return of Motor Vehicle Insurance Premiums**

**Section 48** amends s. 627.7283, F.S., to allow the insurer to electronically transfer unearned premium to a policyholder who cancels a motor vehicle insurance policy. The insurer may also deliver the unearned premium by mail. Current law is retained requiring the insurer to refund the unearned premium within 30 days of the later of the policy cancellation date or the date the insurer receives notice of the cancellation.

**Section 26** amends s. 626.9541(1)(q), F.S., the unfair insurance practices act, to specify that insurers and agents that utilize a credit card facility or seek to insure credit card holders may provide refunds of unearned premium by mail or electronic transfer.

### **Personal Injury Protection Medical Fee Schedule Clarification**

**Section 49** amends s. 627.736(5)(a), F.S., to clarify that the Personal Injury Protection medical fee schedule that is effective on March 1 of each year applies until the last day of the following February.

### **Exemptions to the Preinsurance Inspection of Private Passenger Motor Vehicles**

**Section 50** amends s. 627.744, F.S., to exempt from preinsurance inspection new, unused motor vehicles that are leased from a licensed motor vehicle dealer or leasing company, if the insurer is provided with a lease agreement that contains a full description of the motor vehicle or a copy of the registration and a copy of the window sticker. In addition, this section deletes the preinsurance inspection exemption for new, unused motor vehicles purchased if the following conditions apply:

- If the bill of sale or buyer's order contains a full description of all options and accessories, or
- If the dealer invoice showing the itemized options, equipment, and total retail price is submitted as documentation.

### **Title Insurance Data Submission to the OIR**

**Section 52** amends s. 627.782, F.S., to extend the date by which title insurers and title insurance agencies must annually submit data on the title insurance industry to the OIR for the most recently concluded year from March 31 to May 31.

### **Requirements Related to Acquisition of Controlling Stock**

**Section 53** amends s. 628.461, F.S., relating to acquisition of controlling stock of a domestic stock insurer or a controlling company. The bill increases from five percent to 10 percent the amount of stock that is considered “controlling stock” of an insurer or controlling company. Currently, s. 628.461, F.S., provides that a person or affiliated person must file a letter of notification and a statement for the OIR’s approval before concluding a tender offer to acquire five percent or more of a domestic stock insurer or of a controlling company. The statement must contain certain criminal, employment, and regulatory history information.

The bill provides that a person may rebut a presumption of control by filing a disclaimer of control on a form prescribed by the OFR or by providing a copy of a Schedule 13G on file with the U.S. Securities and Exchange Commission. After a disclaimer is filed, the insurer is relieved of any further duty to register or report under s. 628.461, F.S., unless the OIR disallows the disclaimer. Under current law, a party acquiring less than 10 percent of the outstanding voting securities of an insurer may file a disclaimer of affiliation of control, and such disclaimer must fully disclose all material relationships and affiliation with the insurer, as well as the reason for such disclaimer (this disclaimer is mandatory for acquisitions of more than 10 percent).

The section deletes the definition of “affiliated person” from the statute.

### **Florida Life and Health Insurance Guaranty Association (FLHIGA) – Obligation to Pay Claims**

**Section 54** amends s. 631.717(11), F.S., deleting language stating that the FLHIGA not being subject to statutory bad faith claims under s. 624.155, F.S., does not affect its obligation to pay valid policy or contract claims.

**Section 55** amends s. 631.737, F.S., stating that the FLHIGA is obligated to pay valid claims. The amendments to these sections do not affect the obligation of the FLHIGA to pay valid policy or contract claims and will continue to not be subject to the provisions of s. 631.717(11), F.S.

### **Service Warranty Association Financial Requirements**

**Section 56** amends s. 634.406, F.S., to revise the requirement that if a service warranty association’s premiums exceed the statutorily required 7-to-1 ratio of gross written premium to net assets, it must maintain net assets of \$750,000 and maintain a contractual liability insurance policy that reimburses the service warranty association for 100 percent of its claims liability and is approved by the OIR. Under the bill, the contractual liability policy may be issued by an affiliate of the warranty association. Additionally, the insurer issuing the policy must either

maintain at least a \$100 million policyholder surplus or maintain a policyholder surplus of at least \$200 million and issue a policy that complies with the provisions of subsection (3).<sup>71</sup>

**Effective Date:**

**Section 57** provides that except as otherwise expressly provided, the bill is effective July 1, 2014.

**IV. Constitutional Issues:**

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

**V. Fiscal Impact Statement:**

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

CS/CS/SB 1260 allows workers' compensation insurers and larger employers greater flexibility in negotiating retrospective rating plans by allowing the parties to determine the rating factors used to calculate premiums. This change may result in a reduction in premiums for such employers.

The Florida Workers' Compensation Joint Underwriting Association (FWCJUA) declares dividends to its policyholders generally after the expiration of a seven-year look back

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<sup>71</sup> Subsection (3) of s. 634.406, F.S., states that a warranty association need not establish an unearned premium reserve if it purchases contractual liability insurance that covers 100 percent of its claims liability from an authorized insurer. The terms of the policy must contain the following (a) state the insurer will pay losses and unearned premium refunds directly to a person making a claim under the warranty association contract in the event the services warranty association does not do so; (b) the insurer must assume full responsibility for administering claims if the warranty association cannot do so; (c) 60 days written notice must be given to the OIR prior to policy cancellation; (d) the policy must insure all service warranty contracts issued while the policy was in effect whether or not the premium has been remitted to the insurer; (e) If the insurer is fulfilling the service warranty covered by the policy and the service warranty holder cancels the warranty, the insurer must fully refund unearned premium, subject to a cancellation fee under s. 634.414, F.S.; and (f) a warranty association may not use an unearned premium reserve and contractual liability insurance policy simultaneously. However, the warranty association may have contractual liability coverage on service warranties previously sold and sell new service warranties covered by the unearned premium reserve, and the converse. The warranty association must be able to distinguish how each individual service warranty is covered.

period. Thus, the 2006 policyholder dividend would likely be declared in 2013. If FWCJUA is unable to pay a former policyholder, it must submit the funds to the Bureau of Unclaimed Property where they can be claimed by the policyholder. The bill will allow the FWCJUA to retain those funds pursuant to the terms set forth in the dividend.

C. **Government Sector Impact:**

None.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

Section 53 deletes the definition of “affiliated person” from s. 628.461, F.S. The definition helps determine when a person, in conjunction with an affiliated person, has acquired controlling stock. Deletion of this definition may create ambiguity within the statute.

**VIII. Statutes Affected:**

This bill substantially amends the following sections of the Florida Statutes: 624.4625, 624.501, 626.015, 626.0428, 626.112, 626.172, 626.311, 626.321, 626.382, 626.601, 626.621, 626.8411, 626.854, 626.8805, 626.8817, 626.882, 626.883, 626.884, 626.89, 626.931, 626.932, 626.935, 626.936, 626.9541, 627.062, 627.0628, 627.0651, 627.0653, 627.072, 627.281, 627.311, 627.3518, 627.409, 627.4133, 627.4137, 627.421, 627.43141, 627.4553, 627.7015, 627.706, 627.7074, 627.711, 627.7283, 627.736, 627.744, 627.745, 627.782, 628.461, 631.717, 631.734, 634.406.

This bill creates the following sections of the Florida Statutes: 627.4553, 627.70151.

This bill creates an undesignated section of Florida law.

This bill repeals the following sections of the Florida Statutes: 626.747, 627.3519.

**IX. Additional Information:**

A. **Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

**Recommended CS/CS by Appropriations Subcommittee on General Government on April 9, 2014:**

The committee substitute for committee substitute:

- Permits the OIR to approve a premium discount for electronic vehicle crash avoidance technology.
- Permits publicly supported organizations that receive a substantial part of its support from a government entity or from the general public, as evidenced on the entities

most recent filing with the Internal Revenue Service, to join a not for profit self-insurance fund.

- Provides an agent, adjuster, customer or service representative, or managing general agency may not directly or indirectly receive compensation, inducement, or reward from an inspector or inspection company for referring the owner of a property to the inspector or an inspection company.
- Revises the conditions when an insurer and employer can negotiate the retrospective plan rating factors that can be used for calculating the premium to when the employer has multistate exposure and an annual estimated countrywide standard premium of \$750,000 or more for workers' compensation.
- Requires the OIR to work with the National Council on Compensation Insurance to submit a report analyzing the use of negotiated workers' compensation premium provisions within the retrospective rating plans by November 1, 2014.

**CS by Banking and Insurance on March 14, 2014:**

The committee substitute:

- Deletes the boiler inspection provisions of the bill.
- Deletes the corporation not-for-profit self-insurance fund provision of the bill.
- Deletes the insurance premium finance provision of the bill.
- Deletes current law requiring company insurance adjusters, investigators, attorneys, or other persons acting on the insurer's behalf to provide at least 48 hours' notice to the insured or insured's representatives before scheduling a meeting with the insured or an onsite inspection of the insured property.
- Allows an insurer to electronically transfer unearned premium back to a motor vehicle insurance policyholder who cancels the policy.
- Revises a provision in the bill to allow the Florida Workers' Compensation Joint Underwriting Association to retain dividends payable to a former insured.

**B. Amendments:**

None.



589854

LEGISLATIVE ACTION

Senate	.	House
Comm: RS	.	
04/09/2014	.	
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Appropriations Subcommittee on General Government (Hays)  
recommended the following:

**Senate Amendment (with title amendment)**

Before line 195

insert:

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

624.4625 Corporation not for profit self-insurance funds.-

(1) Notwithstanding any other provision of law, any two or  
more corporations not for profit located in and organized under  
the laws of this state may form a self-insurance fund for the





589854

11 purpose of pooling and spreading liabilities of its group  
12 members in any one or combination of property or casualty risk,  
13 provided the corporation not for profit self-insurance fund that  
14 is created:

15 (b) Requires for qualification that each participating  
16 member receive at least 75 percent of its revenues from local,  
17 state, or federal governmental sources or a combination of such  
18 sources, or qualify as a publicly supported organization as  
19 evidenced on the member's most recently filed Internal Revenue  
20 Service Form 990.

21  
22 ===== T I T L E A M E N D M E N T =====

23 And the title is amended as follows:

24 Delete line 2

25 and insert:

26 An act relating to insurance; amending s. 624.4625,  
27 F.S.; revising requirements for corporations not for  
28 profit to qualify to form a self-insurance fund;  
29 amending s. 624.501,



670382

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/09/2014	.	
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Appropriations Subcommittee on General Government (Hays)  
recommended the following:

1           **Senate Substitute for Amendment (589854) (with title**  
2 **amendment)**

3  
4           Before line 195  
5 insert:

6           Section 1. Paragraph (b) of subsection (1) of section  
7 624.4625, Florida Statutes, is amended to read:

8           624.4625 Corporation not for profit self-insurance funds.—  
9           (1) Notwithstanding any other provision of law, any two or  
10 more corporations not for profit located in and organized under



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11 the laws of this state may form a self-insurance fund for the  
12 purpose of pooling and spreading liabilities of its group  
13 members in any one or combination of property or casualty risk,  
14 provided the corporation not for profit self-insurance fund that  
15 is created:

16 (b) Requires for qualification that each participating  
17 member receive at least 75 percent of its revenues from local,  
18 state, or federal governmental sources or a combination of such  
19 sources, or qualify as a publicly supported organization that  
20 normally receives a substantial part of its support from a  
21 governmental unit or from the general public as evidenced on the  
22 organization's most recently filed Internal Revenue Service Form  
23 990 or 990-EZ, Schedule A.

24  
25 ===== T I T L E A M E N D M E N T =====

26 And the title is amended as follows:

27 Delete line 2

28 and insert:

29 An act relating to insurance; amending s. 624.4625,  
30 F.S.; revising requirements for corporations not for  
31 profit to qualify to form a self-insurance fund;  
32 amending s. 624.501,



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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/09/2014	.	
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Appropriations Subcommittee on General Government (Hays)  
recommended the following:

**Senate Amendment (with title amendment)**

Between lines 756 and 757

insert:

Section 11. Subsection (15) is added to section 626.621,  
Florida Statutes, to read:

626.621 Grounds for discretionary refusal, suspension, or  
revocation of agent's, adjuster's, customer representative's,  
service representative's, or managing general agent's license or  
appointment.—The department may, in its discretion, deny an



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11 application for, suspend, revoke, or refuse to renew or continue  
12 the license or appointment of any applicant, agent, adjuster,  
13 customer representative, service representative, or managing  
14 general agent, and it may suspend or revoke the eligibility to  
15 hold a license or appointment of any such person, if it finds  
16 that as to the applicant, licensee, or appointee any one or more  
17 of the following applicable grounds exist under circumstances  
18 for which such denial, suspension, revocation, or refusal is not  
19 mandatory under s. 626.611:

20 (15) Directly or indirectly accepting any compensation,  
21 inducement, or reward from an inspector or inspection company  
22 for referring the owner of property requiring inspection to the  
23 inspector or inspection company. This prohibition applies to any  
24 inspection of property intended for submission to a carrier in  
25 order to obtain insurance coverage or to determine the  
26 appropriate amount of the insurance premium.

27  
28 ===== T I T L E A M E N D M E N T =====

29 And the title is amended as follows:

30 Between lines 43 and 44

31 insert:

32 amending s. 626.621, F.S.; providing an additional  
33 ground for disciplinary action against the license or  
34 appointment of certain insurance-related personnel for  
35 accepting compensation for referring the owner of a  
36 property to an inspector or inspection company;



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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/09/2014	.	
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Appropriations Subcommittee on General Government (Hays)  
recommended the following:

**Senate Amendment (with title amendment)**

Between lines 1202 and 1203

insert:

Section 28. Subsection (6) is added to section 627.0653,  
Florida Statutes, to read:

627.0653 Insurance discounts for specified motor vehicle  
equipment.—

(6) The office may approve a premium discount applicable to  
any rates, rating schedules, or rating manuals for liability,



582796

11 personal injury protection, and collision coverages for motor  
12 vehicle insurance policies filed with the office for vehicles  
13 equipped with electronic vehicle crash avoidance technology that  
14 is factory installed or with a retrofitted system that complies  
15 with National Highway Traffic Safety Administration standards.

16  
17 ===== T I T L E A M E N D M E N T =====

18 And the title is amended as follows:

19 Delete line 97

20 and insert:

21 vehicle insurance; amending s. 627.0653, F.S.;

22 authorizing the office to approve motor vehicle

23 premium discounts for vehicles equipped with

24 electronic crash avoidance technology; amending s.

25 627.072, F.S.;



560680

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/09/2014	.	
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Appropriations Subcommittee on General Government (Hays)  
recommended the following:

**Senate Amendment (with title amendment)**

Delete lines 1211 - 1213  
and insert:  
state and an estimated annual countrywide standard premium of  
\$750,000 or more for workers' compensation.

Section 29. The Office of Insurance Regulation, in  
consultation with the National Council on Compensation  
Insurance, is directed to prepare a report that analyzes the use  
of negotiated workers' compensation premium provisions within





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11 retrospective rating plans. The report must examine the use of  
12 such provisions in neighboring and competitive states,  
13 specifically as to any savings in the actual premium if a  
14 retrospective rating deviation is applied, compared to the  
15 standard workers' compensation premium, and the potential  
16 inequity for the state's employers due to the lack of such  
17 provisions in this state. The report must also examine the  
18 potential savings to Florida employers which results from  
19 implementing negotiated premiums for employers having exposure  
20 in more than one state and an estimated annual countrywide  
21 standard premium of at least \$250,000, \$500,000, and \$750,000.  
22 The report shall be delivered to the task force for approval by  
23 September 1, 2014, and the approved report shall be delivered to  
24 the President of the Senate and the Speaker of the House of  
25 Representatives by November 1, 2014. This section is repealed  
26 June 30, 2015.

27  
28 ===== T I T L E A M E N D M E N T =====

29 And the title is amended as follows:

30 Delete line 102

31 and insert:

32 used to calculate premiums; requiring the office to  
33 prepare and submit a report to the Legislature by a  
34 specified date that analyzes the use of negotiated  
35 workers compensation premium provisions within  
36 restrospective rating plans; amending s. 627.281,



955004

LEGISLATIVE ACTION

Senate	.	House
Comm: WD	.	
04/09/2014	.	
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Appropriations Subcommittee on General Government (Hays)  
recommended the following:

**Senate Amendment (with title amendment)**

Delete lines 948 - 958

and insert:

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



955004

11            (2)-(4) Each alien insurer accepting premiums where this  
12 state is the home state of the insured, shall, on or before June  
13 30 of each year, file with the Florida Surplus Lines Service  
14 Office a verified report of all surplus lines insurance  
15 transacted by such insurer ~~for insurance risks located in this~~  
16 ~~state~~ during the preceding calendar year.

17  
18 ===== T I T L E   A M E N D M E N T =====

19 And the title is amended as follows:

20            Delete line 74

21 and insert:

22            Service Office; clarifying which foreign or alien  
23            insurers must file a monthly report with the office;  
24            amending s. 626.932, F.S.; revising

By the Committee on Banking and Insurance; and Senators Brandes  
and Soto

597-02850A-14

20141260c1

1 A bill to be entitled  
2 An act relating to insurance; amending s. 624.501,  
3 F.S.; revising original appointment and renewal fees  
4 related to certain insurance representatives; amending  
5 s. 626.015, F.S.; defining the term "unaffiliated  
6 insurance agent"; amending s. 626.0428, F.S.;  
7 requiring a branch place of business to have an agent  
8 in charge; authorizing an agent to be in charge of  
9 more than one branch office under certain  
10 circumstances; providing requirements relating to the  
11 designation of an agent in charge; prohibiting an  
12 insurance agency from conducting insurance business at  
13 a location without a designated agent in charge;  
14 providing that the agent in charge is accountable for  
15 misconduct and violations committed by the licensee  
16 and any person under his or her supervision; amending  
17 s. 626.112, F.S.; prohibiting limited customer  
18 representative licenses from being issued after a  
19 specified date; providing licensure exemptions that  
20 allow specified individuals or entities to conduct  
21 insurance business at specified locations under  
22 certain circumstances; revising licensure requirements  
23 and penalties with respect to registered insurance  
24 agencies; providing that the registration of an  
25 approved registered insurance agency automatically  
26 converts to an insurance agency license on a specified  
27 date; amending s. 626.172, F.S.; revising requirements  
28 relating to applications for insurance agency  
29 licenses; conforming provisions to changes made by the

Page 1 of 75

**CODING:** Words ~~stricken~~ are deletions; words underlined are additions.

597-02850A-14

20141260c1

30 act; amending s. 626.311, F.S.; limiting the types of  
31 business that may be transacted by certain agents;  
32 amending s. 626.321, F.S.; providing that a limited  
33 license to offer motor vehicle rental insurance issued  
34 to a business that rents or leases motor vehicles  
35 encompasses the employees of such business; amending  
36 s. 626.382, F.S.; providing that an insurance agency  
37 license continues in force until canceled, suspended,  
38 revoked, terminated, or expired; amending s. 626.601,  
39 F.S.; revising terminology relating to investigations  
40 conducted by the Department of Financial Services and  
41 the Office of Insurance Regulation with respect to  
42 individuals and entities involved in the insurance  
43 industry; revising a confidentiality provision;  
44 repealing s. 626.747, F.S., relating to branch  
45 agencies, agents in charge, and the payment of  
46 additional county tax under certain circumstances;  
47 amending s. 626.8411, F.S.; conforming a cross-  
48 reference; amending s. 626.854, F.S.; deleting the  
49 requirement that a 48 hours' notice be provided before  
50 scheduling an onsite inspection of insured property;  
51 conforming a cross-reference; amending s. 626.8805,  
52 F.S.; revising insurance administrator application  
53 requirements; amending s. 626.8817, F.S.; authorizing  
54 an insurer's designee to provide certain coverage  
55 information to an insurance administrator; authorizing  
56 an insurer to subcontract the review of an insurance  
57 administrator; amending s. 626.882, F.S.; prohibiting  
58 a person from acting as an insurance administrator

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59 without a specific written agreement; amending s.  
60 626.883, F.S.; requiring an insurance administrator to  
61 furnish fiduciary account records to an insurer;  
62 requiring administrator withdrawals from a fiduciary  
63 account to be made according to a specific written  
64 agreement; providing that an insurer's designee may  
65 authorize payment of claims; amending s. 626.884,  
66 F.S.; revising an insurer's right of access to certain  
67 administrator records; amending s. 626.89, F.S.;  
68 revising the deadline for filing certain financial  
69 statements; deleting provisions allowing an extension  
70 for administrator to submit certain financial  
71 statements; amending s. 626.931, F.S.; deleting  
72 provisions requiring a surplus lines agent to file a  
73 quarterly affidavit with the Florida Surplus Lines  
74 Service Office; amending s. 626.932, F.S.; revising  
75 the due date of surplus lines tax; amending ss.  
76 626.935 and 626.936, F.S.; conforming provisions to  
77 changes made by the act; amending s. 626.9541, F.S.;  
78 revising provisions for unfair methods of competition  
79 and unfair or deceptive acts relating to conducting  
80 certain insurance transactions through credit card  
81 facilities; amending s. 627.062, F.S.; authorizing the  
82 Office of Insurance Regulation to use a straight  
83 average of model results or output ranges to estimate  
84 hurricane losses when determining whether the rates in  
85 a rate filing are excessive, inadequate, or unfairly  
86 discriminatory; amending s. 627.0628, F.S.; increasing  
87 the length of time during which an insurer must adhere

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88 to certain findings made by the Commission on  
89 Hurricane Loss Projection Methodology with respect to  
90 certain methods, principles, standards, models, or  
91 output ranges used in a rate filing; providing that  
92 the requirement to adhere to such findings does not  
93 limit an insurer from using straight averages of model  
94 results or output ranges under specified  
95 circumstances; amending s. 627.0651, F.S.; revising  
96 provisions for making and use of rates for motor  
97 vehicle insurance; amending s. 627.072, F.S.;  
98 authorizing retrospective rating plans relating to  
99 workers' compensation and employer's liability  
100 insurance to allow negotiations between certain  
101 employers and insurers with respect to rating factors  
102 used to calculate premiums; amending ss. 627.281,  
103 F.S.; conforming a cross-reference; amending s.  
104 627.311, F.S.; providing that certain dividends may be  
105 retained by the joint underwriting plan for future  
106 use; amending s. 627.3518, F.S.; conforming a cross-  
107 reference; repealing s. 627.3519, F.S., relating to an  
108 annual report on the aggregate report of maximum  
109 losses of the Florida Hurricane Catastrophe Fund and  
110 Citizens Property Insurance Corporation; amending s.  
111 627.409, F.S.; providing that a claim for residential  
112 property insurance may not be denied based on certain  
113 credit information; amending s. 627.4133, F.S.;  
114 extending the period for prior notice required with  
115 respect to the nonrenewal, cancellation, or  
116 termination of certain insurance policies; deleting

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117 certain provisions that require extended periods of  
 118 prior notice with respect to the nonrenewal,  
 119 cancellation, or termination of certain insurance  
 120 policies; prohibiting the cancellation of certain  
 121 policies that have been in effect for a specified  
 122 amount of time, except under certain circumstances;  
 123 prohibiting the cancellation of a policy or contract  
 124 that has been in effect for a specified amount of time  
 125 based on certain credit information; amending s.  
 126 627.4137, F.S.; adding licensed company adjusters to  
 127 the list of persons who may respond to a claimant's  
 128 written request for information relating to liability  
 129 insurance coverage; amending s. 627.421, F.S.;

130 authorizing a policyholder of personal lines insurance  
 131 to affirmatively elect delivery of policy documents by  
 132 electronic means; amending s. 627.43141, F.S.;

133 authorizing a notice of change in policy terms to be  
 134 sent in a separate mailing to an insured under certain  
 135 circumstances; requiring an insurer to provide such  
 136 notice to the insured's insurance agent; creating s.  
 137 627.4553, F.S.; providing requirements for the  
 138 recommendation to surrender an annuity or life  
 139 insurance policy; amending s. 627.7015, F.S.; revising  
 140 the rulemaking authority of the department with  
 141 respect to qualifications and specified types of  
 142 penalties covered under the property insurance  
 143 mediation program; creating s. 627.70151, F.S.;

144 providing criteria for an insurer or policyholder to  
 145 challenge the impartiality of a loss appraisal umpire

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146 for purposes of disqualifying such umpire; amending s.  
 147 627.706, F.S.; revising the definition of the term  
 148 "neutral evaluator"; amending s. 627.7074, F.S.;

149 revising notification requirements for participation  
 150 in the neutral evaluation program; providing grounds  
 151 for the department to deny an application, or suspend  
 152 or revoke certification, of a neutral evaluator;  
 153 requiring the department to adopt rules relating to  
 154 certification of neutral evaluators; amending s.  
 155 627.711, F.S.; revising verification requirements for  
 156 uniform mitigation verification forms; amending s.  
 157 627.7283, F.S.; providing for the electronic transfer  
 158 of unearned premiums returned when a policy is  
 159 cancelled; amending s. 627.736, F.S.; revising the  
 160 time period for applicability of certain Medicare fee  
 161 schedules or payment limitations; amending s. 627.744,  
 162 F.S.; revising preinsurance inspection requirements  
 163 for private passenger motor vehicles; amending s.  
 164 627.745, F.S.; revising qualifications for approval as  
 165 a mediator by the department; providing grounds for  
 166 the department to deny an application, or suspend or  
 167 revoke approval of a mediator or certification of a  
 168 neutral evaluator; authorizing the department to adopt  
 169 rules; amending s. 627.782, F.S.; revising the date by  
 170 which title insurance agencies and certain insurers  
 171 must annually submit specified information to the  
 172 Office of Insurance Regulation; amending s. 628.461,  
 173 F.S.; revising filing requirements relating to the  
 174 acquisition of controlling stock; revising the amount

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175 of outstanding voting securities of a domestic stock
176 insurer or a controlling company that a person is
177 prohibited from acquiring unless certain requirements
178 have been met; prohibiting persons acquiring a certain
179 percentage of voting securities from acquiring certain
180 securities; providing that a presumption of control
181 may be rebutted by filing a disclaimer of control;
182 deleting a definition; amending ss. 631.717 and
183 631.734, F.S.; transferring a provision relating to
184 the obligations of the Florida Life and Health
185 Insurance Guaranty Association; amending s. 634.406,
186 F.S.; revising criteria authorizing premiums of
187 certain service warranty associations to exceed their
188 specified net assets limitations; revising
189 requirements relating to contractual liability
190 policies that insure warranty associations; providing
191 effective dates.

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

194
195 Section 1. Paragraphs (a) and (c) of subsection (6) and
196 subsections (7) and (8) of section 624.501, Florida Statutes,
197 are amended to read:

198 624.501 Filing, license, appointment, and miscellaneous
199 fees.-The department, commission, or office, as appropriate,
200 shall collect in advance, and persons so served shall pay to it
201 in advance, fees, licenses, and miscellaneous charges as
202 follows:

203 (6) Insurance representatives, property, marine, casualty,

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204 and surety insurance.

205 (a) Agent's original appointment and biennial renewal or
206 continuation thereof, each insurer or unaffiliated agent making
207 an appointment:

208 Appointment fee.....\$42.00
209 State tax.....12.00
210 County tax.....6.00
211 Total.....\$60.00

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

215 (7) Life insurance agents.

216 (a) Agent's original appointment and biennial renewal or
217 continuation thereof, each insurer or unaffiliated agent making
218 an appointment:

219 Appointment fee.....\$42.00
220 State tax.....12.00
221 County tax.....6.00
222 Total.....\$60.00

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

226 (8) Health insurance agents.

227 (a) Agent's original appointment and biennial renewal or
228 continuation thereof, each insurer or unaffiliated agent making
229 an appointment:

230 Appointment fee.....\$42.00
231 State tax.....12.00
232 County tax.....6.00

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233 Total.....\$60.00

234 (b) Nonresident agent’s original appointment and biennial  
 235 renewal or continuation thereof, appointment fee, each insurer  
 236 or unaffiliated agent making an appointment.....\$60.00

237 Section 2. Present subsection (18) of section 626.015,  
 238 Florida Statutes, is renumbered as subsection (19), and a new  
 239 subsection (18) is added to that section, to read:

240 626.015 Definitions.—As used in this part:

241 (18) “Unaffiliated insurance agent” means a licensed  
 242 insurance agent, except a limited lines agent, who is self-  
 243 appointed and who practices as an independent consultant in the  
 244 business of analyzing or abstracting insurance policies,  
 245 providing insurance advice or counseling, or making specific  
 246 recommendations or comparisons of insurance products for a fee  
 247 established in advance by written contract signed by the  
 248 parties. An unaffiliated insurance agent may not be affiliated  
 249 with an insurer, insurer-appointed insurance agent, or insurance  
 250 agency contracted with or employing insurer-appointed insurance  
 251 agents.

252 Section 3. Effective January 1, 2015, section 626.0428,  
 253 Florida Statutes, is amended to read:

254 626.0428 Agency personnel powers, duties, and limitations.—

255 (1) An individual employed by an agent or agency on salary  
 256 who devotes full time to clerical work, with incidental taking  
 257 of insurance applications or quoting or receiving premiums on  
 258 incoming inquiries in the office of the agent or agency, is not  
 259 deemed to be an agent or customer representative if his or her  
 260 compensation does not include in whole or in part any  
 261 commissions on such business and is not related to the

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262 production of applications, insurance, or premiums.

263 (2) An employee or authorized representative located at a  
 264 designated branch of an agent or agency may not bind insurance  
 265 coverage unless licensed and appointed as an agent or customer  
 266 representative.

267 (3) An employee or authorized representative of an agent or  
 268 agency may not initiate contact with any person for the purpose  
 269 of soliciting insurance unless licensed and appointed as an  
 270 agent or customer representative. As to title insurance, an  
 271 employee of an agent or agency may not initiate contact with any  
 272 individual proposed insured for the purpose of soliciting title  
 273 insurance unless licensed as a title insurance agent or exempt  
 274 from such licensure pursuant to s. 626.8417(4).

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

280 (b) Notwithstanding paragraph (a), the licensed agent in  
 281 charge of an insurance agency may also be the agent in charge of  
 282 additional branch office locations of the agency if insurance  
 283 activities requiring licensure as an insurance agent do not  
 284 occur at any location when an agent is not physically present  
 285 and unlicensed employees at the location do not engage in  
 286 insurance activities requiring licensure as an insurance agent  
 287 or customer representative.

288 (c) An insurance agency and each branch place of business  
 289 of an insurance agency shall designate an agent in charge and  
 290 file the name and license number of the agent in charge and the



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291 physical address of the insurance agency location with the  
 292 department and the department's website. The designation of the  
 293 agent in charge may be changed at the option of the agency. A  
 294 change of the designated agent in charge is effective upon  
 295 notice to the department. Notice to the department must be  
 296 provided within 30 days after such change.

297 (d) An insurance agency location may not conduct the  
 298 business of insurance unless an agent in charge is designated by  
 299 and providing services to the agency at all times. If the agent  
 300 in charge designated with the department ends his or her  
 301 affiliation with the agency for any reason and the agency fails  
 302 to designate another agent in charge within 30 days as provided  
 303 in paragraph (c) and such failure continues for 90 days, the  
 304 agency license automatically expires on the 91st day after the  
 305 date the designated agent in charge ended his or her affiliation  
 306 with the agency.

307 (e) For purposes of this subsection, an "agent in charge"  
 308 is the licensed and appointed agent responsible for the  
 309 supervision of all individuals within an insurance agency  
 310 location, regardless of whether the agent in charge handles a  
 311 specific transaction or deals with the general public in the  
 312 solicitation or negotiation of insurance contracts or the  
 313 collection or accounting of money.

314 (f) An agent in charge of an insurance agency is  
 315 accountable for the wrongful acts, misconduct, or violations of  
 316 this code committed by the licensee or by any person under his  
 317 or her supervision while acting on behalf of the agency.  
 318 However, an agent in charge is not criminally liable for any act  
 319 unless the agent in charge personally committed the act or knew

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320 or should have known of the act and of the facts constituting a  
 321 violation of this code.

322 Section 4. Paragraph (b) of subsection (1) and subsection  
 323 (7) of section 626.112, Florida Statutes, is amended to read:

324 626.112 License and appointment required; agents, customer  
 325 representatives, adjusters, insurance agencies, service  
 326 representatives, managing general agents.-

327 (1)

328 (b) Except as provided in subsection (6) or in applicable  
 329 department rules, and in addition to other conduct described in  
 330 this chapter with respect to particular types of agents, a  
 331 license as an insurance agent, service representative, customer  
 332 representative, or limited customer representative is required  
 333 in order to engage in the solicitation of insurance. Effective  
 334 October 1, 2014, limited customer representative licenses may  
 335 not be issued. For purposes of this requirement, as applicable  
 336 to ~~any of~~ the license types described in this section, the  
 337 solicitation of insurance is the attempt to persuade any person  
 338 to purchase an insurance product by:

339 1. Describing the benefits or terms of insurance coverage,  
 340 including premiums or rates of return;

341 2. Distributing an invitation to contract to prospective  
 342 purchasers;

343 3. Making general or specific recommendations as to  
 344 insurance products;

345 4. Completing orders or applications for insurance  
 346 products;

347 5. Comparing insurance products, advising as to insurance  
 348 matters, or interpreting policies or coverages; or

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349 6. Offering or attempting to negotiate on behalf of another  
 350 person a viatical settlement contract as defined in s. 626.9911.  
 351  
 352 However, an employee leasing company licensed ~~under pursuant to~~  
 353 chapter 468 which is seeking to enter into a contract with an  
 354 employer that identifies products and services offered to  
 355 employees may deliver proposals for the purchase of employee  
 356 leasing services to prospective clients of the employee leasing  
 357 company setting forth the terms and conditions of doing  
 358 business; classify employees as permitted by s. 468.529; collect  
 359 information from prospective clients and other sources as  
 360 necessary to perform due diligence on the prospective client and  
 361 to prepare a proposal for services; provide and receive  
 362 enrollment forms, plans, and other documents; and discuss or  
 363 explain in general terms the conditions, limitations, options,  
 364 or exclusions of insurance benefit plans available to the client  
 365 or employees of the employee leasing company were the client to  
 366 contract with the employee leasing company. Any advertising  
 367 materials or other documents describing specific insurance  
 368 coverages must identify and be from a licensed insurer or its  
 369 licensed agent or a licensed and appointed agent employed by the  
 370 employee leasing company. The employee leasing company may not  
 371 advise or inform the prospective business client or individual  
 372 employees of specific coverage provisions, exclusions, or  
 373 limitations of particular plans. As to clients for which the  
 374 employee leasing company is providing services pursuant to s.  
 375 468.525(4), the employee leasing company may engage in  
 376 activities permitted by ss. 626.7315, 626.7845, and 626.8305,  
 377 subject to the restrictions specified in those sections. If a

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378 prospective client requests more specific information concerning  
 379 the insurance provided by the employee leasing company, the  
 380 employee leasing company must refer the prospective business  
 381 client to the insurer or its licensed agent or to a licensed and  
 382 appointed agent employed by the employee leasing company.  
 383 Section 5. Effective January 1, 2015, subsection (7) of  
 384 section 626.112, Florida Statutes, is amended to read:  
 385 626.112 License and appointment required; agents, customer  
 386 representatives, adjusters, insurance agencies, service  
 387 representatives, managing general agents.-  
 388 (7) (a) ~~An Effective October 1, 2006, no~~ individual, firm,  
 389 partnership, corporation, association, or ~~any~~ other entity may  
 390 not shall act in its own name or under a trade name, directly or  
 391 indirectly, as an insurance agency, unless it possesses ~~complies~~  
 392 with s. 626.172 with respect to possessing an insurance agency  
 393 license issued pursuant to s. 626.172 for each place of business  
 394 at which it engages in ~~any~~ activity that which may be performed  
 395 only by a licensed insurance agent. However, an insurance agency  
 396 that is owned and operated by a single licensed agent conducting  
 397 business in his or her individual name and not employing or  
 398 otherwise using the services of or appointing other licensees is  
 399 exempt from the agency licensing requirements of this  
 400 subsection.  
 401 (b) A branch place of business which is established by a  
 402 licensed agency is considered a branch agency and is not  
 403 required to be licensed if it transacts business under the same  
 404 name and federal tax identification number as the licensed  
 405 agency, has designated a licensed agent in charge of the  
 406 location as required by s. 626.0428, and has submitted the

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407 address and telephone number of the location to the department  
 408 for inclusion in the licensing record of the licensed agency  
 409 within 30 days after insurance transactions begin at the  
 410 location Each agency engaged in business in this state before  
 411 January 1, 2003, which is wholly owned by insurance agents  
 412 currently licensed and appointed under this chapter, each  
 413 incorporated agency whose voting shares are traded on a  
 414 securities exchange, each agency designated and subject to  
 415 supervision and inspection as a branch office under the rules of  
 416 the National Association of Securities Dealers, and each agency  
 417 whose primary function is offering insurance as a service or  
 418 member benefit to members of a nonprofit corporation may file an  
 419 application for registration in lieu of licensure in accordance  
 420 with s. 626.172(3). Each agency engaged in business before  
 421 October 1, 2006, shall file an application for licensure or  
 422 registration on or before October 1, 2006.

423 (c)1- If an agency is required to be licensed but fails to  
 424 file an application for licensure in accordance with this  
 425 section, the department shall impose on the agency an  
 426 administrative penalty in an amount of up to \$10,000.

427 2. If an agency is eligible for registration but fails to  
 428 file an application for registration or an application for  
 429 licensure in accordance with this section, the department shall  
 430 impose on the agency an administrative penalty in an amount of  
 431 up to \$5,000.

432 (d)(b) Effective October 1, 2015, the department must  
 433 automatically convert the registration of an approved a  
 434 registered insurance agency to shall, as a condition precedent  
 435 to continuing business, obtain an insurance agency license if

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436 ~~the department finds that, with respect to any majority owner,~~  
 437 ~~partner, manager, director, officer, or other person who manages~~  
 438 ~~or controls the agency, any person has:~~

439 ~~1. Been found guilty of, or has pleaded guilty or nolo~~  
 440 ~~contendere to, a felony in this state or any other state~~  
 441 ~~relating to the business of insurance or to an insurance agency,~~  
 442 ~~without regard to whether a judgment of conviction has been~~  
 443 ~~entered by the court having jurisdiction of the cases.~~

444 ~~2. Employed any individual in a managerial capacity or in a~~  
 445 ~~capacity dealing with the public who is under an order of~~  
 446 ~~revocation or suspension issued by the department. An insurance~~  
 447 ~~agency may request, on forms prescribed by the department,~~  
 448 ~~verification of any person's license status. If a request is~~  
 449 ~~mailed within 5 working days after an employee is hired, and the~~  
 450 ~~employee's license is currently suspended or revoked, the agency~~  
 451 ~~shall not be required to obtain a license, if the unlicensed~~  
 452 ~~person's employment is immediately terminated.~~

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

455 ~~4. With such frequency as to have made the operation of the~~  
 456 ~~agency hazardous to the insurance-buying public or other~~  
 457 ~~persons:~~

458 ~~a. Solicited or handled controlled business. This~~  
 459 ~~subparagraph shall not prohibit the licensing of any lending or~~  
 460 ~~financing institution or creditor, with respect to insurance~~  
 461 ~~only, under credit life or disability insurance policies of~~  
 462 ~~borrowers from the institutions, which policies are subject to~~  
 463 ~~part IX of chapter 627.~~

464 ~~b. Misappropriated, converted, or unlawfully withheld~~

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465 moneys belonging to insurers, insureds, beneficiaries, or others  
 466 and received in the conduct of business under the license.  
 467 e. ~~Unlawfully rebated, attempted to unlawfully rebate, or~~  
 468 ~~unlawfully divided or offered to divide commissions with~~  
 469 ~~another.~~  
 470 d. ~~Misrepresented any insurance policy or annuity contract,~~  
 471 ~~or used deception with regard to any policy or contract, done~~  
 472 ~~either in person or by any form of dissemination of information~~  
 473 ~~or advertising.~~  
 474 e. ~~Violated any provision of this code or any other law~~  
 475 ~~applicable to the business of insurance in the course of dealing~~  
 476 ~~under the license.~~  
 477 f. ~~Violated any lawful order or rule of the department.~~  
 478 g. ~~Failed or refused, upon demand, to pay over to any~~  
 479 ~~insurer he or she represents or has represented any money coming~~  
 480 ~~into his or her hands belonging to the insurer.~~  
 481 h. ~~Violated the provision against twisting as defined in s.~~  
 482 ~~626.9541(1)(1).~~  
 483 i. ~~In the conduct of business, engaged in unfair methods of~~  
 484 ~~competition or in unfair or deceptive acts or practices, as~~  
 485 ~~prohibited under part IX of this chapter.~~  
 486 j. ~~Willfully overinsured any property insurance risk.~~  
 487 k. ~~Engaged in fraudulent or dishonest practices in the~~  
 488 ~~conduct of business arising out of activities related to~~  
 489 ~~insurance or the insurance agency.~~  
 490 l. ~~Demonstrated lack of fitness or trustworthiness to~~  
 491 ~~engage in the business of insurance arising out of activities~~  
 492 ~~related to insurance or the insurance agency.~~  
 493 m. ~~Authorized or knowingly allowed individuals to transact~~

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494 insurance who were not then licensed as required by this code.  
 495 5. ~~Knowingly employed any person who within the preceding 3~~  
 496 ~~years has had his or her relationship with an agency terminated~~  
 497 ~~in accordance with paragraph (d).~~  
 498 ~~6. Willfully circumvented the requirements or prohibitions~~  
 499 ~~of this code.~~  
 500 Section 6. Subsections (2), (3), and (4) of section  
 501 626.172, Florida Statutes, are amended to read:  
 502 626.172 Application for insurance agency license.—  
 503 (2) An application for an insurance agency license must  
 504 shall be signed by an individual required to be listed in the  
 505 application under paragraph (a) ~~the owner or owners of the~~  
 506 ~~agency. If the agency is incorporated, the application shall be~~  
 507 ~~signed by the president and secretary of the corporation. An~~  
 508 ~~insurance agency may allow a third party to complete, submit,~~  
 509 ~~and sign an application on the insurance agency's behalf, but~~  
 510 ~~the insurance agency is responsible for ensuring that the~~  
 511 ~~information on the application is true and correct and is~~  
 512 ~~accountable for any misstatements or misrepresentations. The~~  
 513 ~~application for an insurance agency license must shall include:~~  
 514 (a) The name of each ~~majority~~ owner, partner, officer, and  
 515 director, president, senior vice president, secretary,  
 516 treasurer, and limited liability company member, who directs or  
 517 participates in the management or control of the insurance  
 518 agency, whether through ownership of voting securities, by  
 519 contract, by ownership of an agency bank account, or otherwise.  
 520 (b) The residence address of each person required to be  
 521 listed in the application under paragraph (a).  
 522 (c) The name, principal business street address, and e-mail

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523 address of the insurance agency and the name, address, and e-  
 524 mail address of the agency's registered agent or person or  
 525 company authorized to accept service on behalf of the agency ~~is~~  
 526 ~~principal business address.~~

527 (d) The name, physical address, e-mail address, and  
 528 telephone number ~~location~~ of each branch agency and the date  
 529 that the branch location begins transacting insurance ~~office and~~  
 530 ~~the name under which each agency office conducts or will conduct~~  
 531 ~~business.~~

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

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

- 536 1. A sole proprietor;
- 537 2. Each individual required to be listed in the application  
 538 under paragraph (a) partner; and
- 539 ~~3. Each owner of an unincorporated agency;~~
- 540 3.4. Each individual owner who directs or participates in  
 541 the management or control of an incorporated agency whose shares  
 542 are not traded on a securities exchange;
- 543 ~~5. The president, senior vice presidents, treasurer,~~  
 544 ~~secretary, and directors of the agency; and~~
- 545 ~~6. Any other person who directs or participates in the~~  
 546 ~~management or control of the agency, whether through the~~  
 547 ~~ownership of voting securities, by contract, or otherwise.~~

548  
 549 Fingerprints must be taken by a law enforcement agency or other  
 550 entity approved by the department and must be accompanied by the  
 551 fingerprint processing fee specified in s. 624.501. Fingerprints

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552 ~~must shall~~ be processed in accordance with s. 624.34. However,  
 553 fingerprints need not be filed for an ~~any~~ individual who is  
 554 currently licensed and appointed under this chapter. This  
 555 paragraph does not apply to corporations whose voting shares are  
 556 traded on a securities exchange.

557 (g) Such additional information as the department requires  
 558 by rule to ascertain the trustworthiness and competence of  
 559 persons required to be listed on the application and to  
 560 ascertain that such persons meet the requirements of this code.  
 561 However, the department may not require that credit or character  
 562 reports be submitted for persons required to be listed on the  
 563 application.

564 ~~(3)(h) Beginning October 1, 2005,~~ The department must shall  
 565 accept the uniform application for nonresident agency licensure.  
 566 The department may adopt by rule revised versions of the uniform  
 567 application.

568 ~~(3) The department shall issue a registration as an~~  
 569 ~~insurance agency to any agency that files a written application~~  
 570 ~~with the department and qualifies for registration. The~~  
 571 ~~application for registration shall require the agency to provide~~  
 572 ~~the same information required for an agency licensed under~~  
 573 ~~subsection (2), the agent identification number for each owner~~  
 574 ~~who is a licensed agent, proof that the agency qualifies for~~  
 575 ~~registration as provided in s. 626.112(7), and any other~~  
 576 ~~additional information that the department determines is~~  
 577 ~~necessary in order to demonstrate that the agency qualifies for~~  
 578 ~~registration. The application must be signed by the owner or~~  
 579 ~~owners of the agency. If the agency is incorporated, the~~  
 580 ~~application must be signed by the president and the secretary of~~

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581 the corporation. An agent who owns the agency need not file  
582 fingerprints with the department if the agent obtained a license  
583 under this chapter and the license is currently valid.

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

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

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

596 (4) The department must ~~shall~~ issue a license ~~or~~  
597 ~~registration~~ to each agency upon approval of the application,  
598 and each agency location must ~~shall~~ display the license ~~or~~  
599 ~~registration~~ prominently in a manner that makes it clearly  
600 visible to any customer or potential customer who enters the  
601 agency location.

602 Section 7. Present subsection (6) of section 626.311,  
603 Florida Statutes, is redesignated as subsection (7), and a new  
604 subsection (6) is added to that section, to read:

605 626.311 Scope of license.—

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

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610 with commissions received or to be received by an insurer-  
611 appointed insurance agent or an insurance agency contracted with  
612 or employing insurer-appointed insurance agents; or receive  
613 compensation or any other thing of value from an insurer, an  
614 insurer-appointed insurance agent, or an insurance agency  
615 contracted with or employing insurer-appointed insurance agents  
616 for any transaction or referral occurring after the date of  
617 appointment as an unaffiliated insurance agent. An unaffiliated  
618 insurance agent may continue to receive commissions on sales  
619 that occurred before the date of appointment as an unaffiliated  
620 insurance agent if the receipt of such commissions is disclosed  
621 when making recommendations or evaluating products for a client  
622 that involve products of the entity from which the commissions  
623 are received.

624 Section 8. Paragraph (d) of subsection (1) of section  
625 626.321, Florida Statutes, is amended to read:

626 626.321 Limited licenses.—

627 (1) The department shall issue to a qualified applicant a  
628 license as agent authorized to transact a limited class of  
629 business in any of the following categories of limited lines  
630 insurance:

631 (d) *Motor vehicle rental insurance.*—

632 1. License covering only insurance of the risks set forth  
633 in this paragraph when offered, sold, or solicited with and  
634 incidental to the rental or lease of a motor vehicle and which  
635 applies only to the motor vehicle that is the subject of the  
636 lease or rental agreement and the occupants of the motor  
637 vehicle:

638 a. Excess motor vehicle liability insurance providing

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639 coverage in excess of the standard liability limits provided by  
 640 the lessor in the lessor's lease to a person renting or leasing  
 641 a motor vehicle from the licensee's employer for liability  
 642 arising in connection with the negligent operation of the leased  
 643 or rented motor vehicle.

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

646 c. Insurance covering the loss of or damage to baggage,  
 647 personal effects, or travel documents of a person renting or  
 648 leasing a motor vehicle.

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

652 2. Insurance under a motor vehicle rental insurance license  
 653 may be issued only if the lease or rental agreement is for up to  
 654 ~~no more than~~ 60 days, the lessee is not provided coverage for  
 655 more than 60 consecutive days per lease period, and the lessee  
 656 is given written notice that his or her personal insurance  
 657 policy providing coverage on an owned motor vehicle may provide  
 658 coverage of such risks and that the purchase of the insurance is  
 659 not required in connection with the lease or rental of a motor  
 660 vehicle. If the lease is extended beyond 60 days, the coverage  
 661 may be extended ~~one time~~ only once for up to a period not to  
 662 ~~exceed an additional~~ 60 days. Insurance may be provided to the  
 663 lessee as an additional insured on a policy issued to the  
 664 licensee's employer.

665 3. The license may be issued only to the full-time salaried  
 666 employee of a licensed general lines agent or to a business  
 667 entity that offers motor vehicles for rent or lease if insurance

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668 sales activities authorized by the license are in connection  
 669 with and incidental to the rental or lease of a motor vehicle.

670 a. A license issued to a business entity that offers motor  
 671 vehicles for rent or lease encompasses each office, branch  
 672 office, employee, authorized representative located at a  
 673 designated branch, or place of business making use of the  
 674 entity's business name in order to offer, solicit, and sell  
 675 insurance pursuant to this paragraph.

676 b. The application for licensure must list the name,  
 677 address, and phone number for each office, branch office, or  
 678 place of business which ~~that~~ is to be covered by the license.  
 679 The licensee shall notify the department of the name, address,  
 680 and phone number of any new location that is to be covered by  
 681 the license before the new office, branch office, or place of  
 682 business engages in the sale of insurance pursuant to this  
 683 paragraph. The licensee must notify the department within 30  
 684 days after closing or terminating an office, branch office, or  
 685 place of business. Upon receipt of the notice, the department  
 686 shall delete the office, branch office, or place of business  
 687 from the license.

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

690 Section 9. Effective January, 1, 2015, section 626.382,  
 691 Florida Statutes, is amended to read:

692 626.382 Continuation, expiration of license; insurance  
 693 agencies.—The license of an any insurance agency ~~shall be issued~~  
 694 ~~for a period of 3 years and~~ shall continue in force until  
 695 canceled, suspended, or ~~revoked,~~ or until it is otherwise  
 696 terminated or becomes expired by operation of law. ~~A license may~~

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697 ~~be renewed by submitting a renewal request to the department on~~  
698 ~~a form adopted by department rule.~~

699 Section 10. Section 626.601, Florida Statutes, is amended  
700 to read:

701 626.601 Improper conduct; investigation inquiry;  
702 fingerprinting.—

703 (1) The department or office may, upon its own motion or  
704 upon a written complaint signed by ~~an any~~ interested person and  
705 filed with the department or office, inquire into ~~the any~~  
706 alleged improper conduct of any licensed, approved, or certified  
707 licensee, insurance agency, agent, adjuster, service  
708 representative, managing general agent, customer representative,  
709 title insurance agent, title insurance agency, mediator, neutral  
710 evaluator, navigator, continuing education course provider,  
711 instructor, school official, or monitor group under this code.  
712 The department or office may thereafter initiate an  
713 investigation of ~~any~~ such individual or entity licensee if it  
714 has reasonable cause to believe that the individual or entity  
715 licensee has violated any provision of the insurance code.  
716 During the course of its investigation, the department or office  
717 shall contact the individual or entity licensee being  
718 investigated unless it determines that contacting such  
719 individual or entity person could jeopardize the successful  
720 completion of the investigation or cause injury to the public.

721 (2) In the investigation by the department or office of the  
722 alleged misconduct, the individual or entity licensee shall, if  
723 ~~whenever so~~ required by the department or office, open the  
724 individual's or entity's cause his or her books and records ~~to~~  
725 ~~be open~~ for inspection for the purpose of such investigation

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726 ~~inquiries.~~

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

731 (4) The expense for any hearings or investigations  
732 conducted pursuant to this section under this law, as well as  
733 the fees and mileage of witnesses, may be paid out of the  
734 appropriate fund.

735 (5) If the department or office, after investigation, has  
736 reason to believe that an individual a licensee may have been  
737 found guilty of or pleaded guilty or nolo contendere to a felony  
738 or a crime related to the business of insurance in this or any  
739 other state or jurisdiction, the department or office may  
740 require the individual licensee to file with the department or  
741 office a complete set of his or her fingerprints, ~~which shall be~~  
742 accompanied by the fingerprint processing fee set forth in s.  
743 624.501. The fingerprints shall be taken by an authorized law  
744 enforcement agency or other department-approved entity.

745 (6) The complaint and any information obtained pursuant to  
746 the investigation by the department or office are confidential  
747 and ~~are exempt from the provisions of~~ s. 119.07, unless the  
748 department or office files a formal administrative complaint,  
749 emergency order, or consent order against the individual or  
750 entity licensee. ~~Nothing in~~ This subsection does not shall be  
751 ~~construed to~~ prevent the department or office from disclosing  
752 the complaint or such information as it deems necessary to  
753 conduct the investigation, to update the complainant as to the  
754 status and outcome of the complaint, or to share such



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755 information with any law enforcement agency or other regulatory  
756 body.

757 Section 11. Effective January 1, 2015, section 626.747,  
758 Florida Statutes, is repealed.

759 Section 12. Effective January 1, 2015, subsection (1) of  
760 section 626.8411, Florida Statutes, is amended to read:

761 626.8411 Application of Florida Insurance Code provisions  
762 to title insurance agents or agencies.—

763 (1) The following provisions ~~of part II~~ applicable to  
764 general lines agents or agencies also apply to title insurance  
765 agents or agencies:

766 (a) Section 626.734, relating to liability of certain  
767 agents.

768 (b) Section 626.0428(4)(a) and (b) 626.747, relating to  
769 branch agencies.

770 (c) Section 626.749, relating to place of business in  
771 residence.

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

773 (e) Section 626.754, relating to rights of agent following  
774 termination of appointment.

775 Section 13. Subsections (14) and (18) of section 626.854,  
776 Florida Statutes, are amended to read:

777 626.854 "Public adjuster" defined; prohibitions.—The  
778 Legislature finds that it is necessary for the protection of the  
779 public to regulate public insurance adjusters and to prevent the  
780 unauthorized practice of law.

781 ~~(14) A company employee adjuster, independent adjuster,~~  
782 ~~attorney, investigator, or other persons acting on behalf of an~~  
783 ~~insurer that needs access to an insured or claimant or to the~~

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784 ~~insured property that is the subject of a claim must provide at~~  
785 ~~least 48 hours' notice to the insured or claimant, public~~  
786 ~~adjuster, or legal representative before scheduling a meeting~~  
787 ~~with the claimant or an onsite inspection of the insured~~  
788 ~~property. The insured or claimant may deny access to the~~  
789 ~~property if the notice has not been provided. The insured or~~  
790 ~~claimant may waive the 48-hour notice.~~

791 ~~(17)-(18) The provisions of Subsections (5)-(16) (5)-(17)~~  
792 ~~apply only to residential property insurance policies and~~  
793 ~~condominium unit owner policies as defined in s. 718.111(11).~~

794 Section 14. Paragraph (c) of subsection (2) and subsection  
795 (3) of section 626.8805, Florida Statutes, are amended to read:  
796 626.8805 Certificate of authority to act as administrator.—

797 (2) The administrator shall file with the office an  
798 application for a certificate of authority upon a form to be  
799 adopted by the commission and furnished by the office, which  
800 application shall include or have attached the following  
801 information and documents:

802 (c) The names, addresses, official positions, and  
803 professional qualifications of the individuals employed or  
804 retained by the administrator who are responsible for the  
805 conduct of the affairs of the administrator, including all  
806 members of the board of directors, board of trustees, executive  
807 committee, or other governing board or committee, and the  
808 principal officers in the case of a corporation or the partners  
809 or members in the case of a partnership or association, ~~and any~~  
810 ~~other person who exercises control or influence over the affairs~~  
811 ~~of the administrator.~~

812 (3) The applicant shall make available for inspection by

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813 the office copies of all contracts relating to services provided  
814 by the administrator to ~~with~~ insurers or other persons using  
815 ~~utilizing~~ the services of the administrator.

816 Section 15. Subsections (1) and (3) of section 626.8817,  
817 Florida Statutes, are amended to read:

818 626.8817 Responsibilities of insurance company with respect  
819 to administration of coverage insured.—

820 (1) If an insurer uses the services of an administrator,  
821 the insurer is responsible for determining the benefits, premium  
822 rates, underwriting criteria, and claims payment procedures  
823 applicable to the coverage and for securing reinsurance, if any.  
824 The rules pertaining to these matters shall be provided, in  
825 writing, by the insurer or its designee to the administrator.  
826 The responsibilities of the administrator as to any of these  
827 matters shall be set forth in ~~a~~ the written agreement binding  
828 upon ~~between~~ the administrator and the insurer.

829 (3) ~~If in cases in which~~ an administrator administers  
830 benefits for more than 100 certificateholders on behalf of an  
831 insurer, the insurer shall, at least semiannually, conduct a  
832 review of the operations of the administrator. At least one such  
833 review must be an onsite audit of the operations of the  
834 administrator. The insurer may contract with a qualified third  
835 party to conduct such review.

836 Section 16. Subsections (1) and (4) of section 626.882,  
837 Florida Statutes, are amended to read:

838 626.882 Agreement between administrator and insurer;  
839 required provisions; maintenance of records.—

840 (1) ~~A No~~ person may not act as an administrator without a  
841 written agreement, as required under s. 626.8817, which

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842 specifies the rights, duties, and obligations of the ~~between~~  
843 ~~such person as~~ administrator and ~~an~~ insurer.

844 (4) If a policy is issued to a trustee or trustees, a copy  
845 of the trust agreement and any amendments to that agreement  
846 shall be furnished to the insurer or its designee by the  
847 administrator and shall be retained as part of the official  
848 records of both the administrator and the insurer for the  
849 duration of the policy and for 5 years thereafter.

850 Section 17. Subsections (3), (4), and (5) of section  
851 626.883, Florida Statutes, are amended to read:

852 626.883 Administrator as intermediary; collections held in  
853 fiduciary capacity; establishment of account; disbursement;  
854 payments on behalf of insurer.—

855 (3) If charges or premiums deposited in a fiduciary account  
856 have been collected on behalf of or for more than one insurer,  
857 the administrator shall keep records clearly recording the  
858 deposits in and withdrawals from such account on behalf of or  
859 for each insurer. The administrator shall, upon request of an  
860 insurer or its designee, furnish such insurer or designee with  
861 copies of records pertaining to deposits and withdrawals on  
862 behalf of or for such insurer.

863 (4) The administrator may not pay any claim by withdrawals  
864 from a fiduciary account. Withdrawals from such account shall be  
865 made as provided in the written agreement required under ss.  
866 626.8817 and 626.882 ~~between the administrator and the insurer~~  
867 for any of the following:

- 868 (a) Remittance to an insurer entitled to such remittance.  
869 (b) Deposit in an account maintained in the name of such  
870 insurer.

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

873 (d) Payment to a group policyholder for remittance to the  
874 insurer entitled to such remittance.

875 (e) Payment to the administrator of the commission, fees,  
876 or charges of the administrator.

877 (f) Remittance of return premium to the person or persons  
878 entitled to such ~~return~~ premium.

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

882 Section 18. Subsection (3) of section 626.884, Florida  
883 Statutes, is amended to read:

884 626.884 Maintenance of records by administrator; access;  
885 confidentiality.—

886 (3) The insurer shall retain the right of continuing access  
887 to books and records maintained by the administrator sufficient  
888 to permit the insurer to fulfill all of its contractual  
889 obligations to insured persons, subject to any restrictions in  
890 the written agreement pertaining to ~~between the insurer and the~~  
891 ~~administrator~~ on the proprietary rights of the parties in such  
892 books and records.

893 Section 19. Subsections (1) and (2) of section 626.89,  
894 Florida Statutes, are amended to read:

895 626.89 Annual financial statement and filing fee; notice of  
896 change of ownership.—

897 (1) Each authorized administrator shall annually file with  
898 the office a full and true statement of its financial condition,  
899 transactions, and affairs within 3 months after the end of the

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900 ~~administrator's fiscal year. The statement shall be filed~~  
901 ~~annually on or before March 1~~ or within such extension of time  
902 ~~therefor~~ as the office for good cause may have granted. The  
903 ~~statement must~~ and shall be for the preceding fiscal calendar  
904 ~~year and must.~~ The statement shall be in such form and contain  
905 such matters as the commission prescribes and must ~~shall~~ be  
906 verified by at least two officers of the ~~such~~ administrator. An  
907 ~~administrator whose sole stockholder is an association~~  
908 ~~representing health care providers which is not an affiliate of~~  
909 ~~an insurer, an administrator of a pooled governmental self-~~  
910 ~~insurance program, or an administrator that is a university may~~  
911 ~~submit the preceding fiscal year's statement within 2 months~~  
912 ~~after its fiscal year end.~~

913 (2) Each authorized administrator shall also file an  
914 audited financial statement performed by an independent  
915 certified public accountant. The audited financial statement  
916 shall be filed with the office within 5 months after the end of  
917 the administrator's fiscal year and be ~~on or before June 1~~ for  
918 the preceding fiscal calendar year ending December 31. An  
919 ~~administrator whose sole stockholder is an association~~  
920 ~~representing health care providers which is not an affiliate of~~  
921 ~~an insurer, an administrator of a pooled governmental self-~~  
922 ~~insurance program, or an administrator that is a university may~~  
923 ~~submit the preceding fiscal year's audited financial statement~~  
924 ~~within 5 months after the end of its fiscal year.~~ An audited  
925 financial statement prepared on a consolidated basis must  
926 include a columnar consolidating or combining worksheet that  
927 must be filed with the statement and must comply with the  
928 following:

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929 (a) Amounts shown on the consolidated audited financial  
 930 statement must be shown on the worksheet;

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

932 (c) Explanations of consolidating and eliminating entries  
 933 must be included.

934 Section 20. Section 626.931, Florida Statutes, is amended  
 935 to read:

936 626.931 ~~Agent affidavit and~~ Insurer reporting  
 937 requirements.—

938 ~~(1) Each surplus lines agent shall on or before the 45th~~  
 939 ~~day following each calendar quarter file with the Florida~~  
 940 ~~Surplus Lines Service Office an affidavit, on forms as~~  
 941 ~~prescribed and furnished by the Florida Surplus Lines Service~~  
 942 ~~Office, stating that all surplus lines insurance transacted by~~  
 943 ~~him or her during such calendar quarter has been submitted to~~  
 944 ~~the Florida Surplus Lines Service Office as required.~~

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

948 (1)(3) Each foreign insurer accepting premiums shall, on or  
 949 before the end of the month following each calendar quarter,  
 950 file with the Florida Surplus Lines Service Office a verified  
 951 report of all surplus lines insurance transacted by such insurer  
 952 for insurance risks located in this state during the such  
 953 calendar quarter.

954 (2)(4) Each alien insurer accepting premiums shall, on or  
 955 before June 30 of each year, file with the Florida Surplus Lines  
 956 Service Office a verified report of all surplus lines insurance  
 957 transacted by such insurer for insurance risks located in this

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958 state during the preceding calendar year.

959 ~~(3)(5)~~ The department may waive the filing requirements  
 960 described in subsections (1) ~~(3)~~ and (2) ~~(4)~~.

961 ~~(4)(6)~~ Each insurer's report and supporting information  
 962 shall be in a computer-readable format as determined by the  
 963 Florida Surplus Lines Service Office or ~~shall~~ be submitted on  
 964 forms prescribed by the Florida Surplus Lines Service Office and  
 965 ~~shall~~ show for each applicable agent:

966 (a) A listing of all policies, certificates, cover notes,  
 967 or other forms of confirmation of insurance coverage or any  
 968 substitutions thereof or endorsements thereto and the  
 969 identifying number; and

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

972 Section 21. Paragraph (a) of subsection (2) of section  
 973 626.932, Florida Statutes, is amended to read:

974 626.932 Surplus lines tax.—

975 (2) (a) The surplus lines agent shall make payable to the  
 976 department the tax related to each calendar quarter's business  
 977 as reported to the Florida Surplus Lines Service Office, and  
 978 remit the tax to the Florida Surplus Lines Service Office on or  
 979 before the 45th day after each calendar quarter ~~at the same time~~  
 980 ~~as provided for the filing of the quarterly affidavit, under s.~~  
 981 ~~626.931.~~ The Florida Surplus Lines Service Office shall forward  
 982 to the department the taxes and any interest collected pursuant  
 983 to paragraph (b), ~~within 10 days after~~ of receipt.

984 Section 22. Subsection (1) of section 626.935, Florida  
 985 Statutes, is amended to read:

986 626.935 Suspension, revocation, or refusal of surplus lines

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987 agent's license.-

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

992 (a) Removal of the licensee's office from the licensee's  
993 state of residence.

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

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

1000 ~~(d) Failure to make and file his or her affidavit or~~  
1001 ~~reports when due as required by s. 626.931.~~

1002 (d) ~~(e)~~ Failure to pay the tax or service fee on surplus  
1003 lines premiums, as provided in the Surplus Lines Law.

1004 (e) ~~(f)~~ Suspension, revocation, or refusal to renew or  
1005 continue the license or appointment as a general lines agent,  
1006 service representative, or managing general agent.

1007 (f) ~~(g)~~ Lack of qualifications as for an original surplus  
1008 lines agent's license.

1009 (g) ~~(h)~~ Violation of this Surplus Lines Law.

1010 (h) ~~(i)~~ For Any other applicable cause for which the license  
1011 of a general lines agent could be suspended, revoked, or refused  
1012 under s. 626.611 or s. 626.621.

1013 Section 23. Subsection (1) of section 626.936, Florida  
1014 Statutes, is amended to read:

1015 626.936 Failure to file reports or pay tax or service fee;

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1016 administrative penalty.-

1017 (1) A ~~Any~~ licensed surplus lines agent who neglects to file  
1018 a report ~~or an affidavit~~ in the form and within the time  
1019 required under ~~or provided for in~~ the Surplus Lines Law may be  
1020 fined up to \$50 per day for each day the neglect continues,  
1021 beginning the day after the report ~~or affidavit~~ was due until  
1022 the date the report ~~or affidavit~~ is received. All sums collected  
1023 under this section shall be deposited into the Insurance  
1024 Regulatory Trust Fund.

1025 Section 24. Paragraph (q) of subsection (1) of section  
1026 626.9541, Florida Statutes, is amended to read:

1027 626.9541 Unfair methods of competition and unfair or  
1028 deceptive acts or practices defined.-

1029 (1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE  
1030 ACTS.-The following are defined as unfair methods of competition  
1031 and unfair or deceptive acts or practices:

1032 (q) *Certain insurance transactions through credit card*  
1033 *facilities prohibited.-*

1034 1. Except as provided in subparagraph 3., no person shall  
1035 knowingly solicit or negotiate ~~any~~ insurance; seek or accept  
1036 applications for insurance; issue or deliver any policy;  
1037 receive, collect, or transmit premiums, to or for an ~~any~~  
1038 insurer; or otherwise transact insurance in this state, or  
1039 relative to a subject of insurance resident, located, or to be  
1040 performed in this state, through the arrangement or facilities  
1041 of a credit card facility or organization, for the purpose of  
1042 insuring credit card holders or prospective credit card holders.  
1043 The term "credit card holder" as used in this paragraph means a  
1044 ~~any~~ person who may pay the charge for purchases or other

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1045 transactions through the credit card facility or organization,  
 1046 whose credit with such facility or organization is evidenced by  
 1047 a credit card identifying such person as being one whose charges  
 1048 the credit card facility or organization will pay, and who is  
 1049 identified as such upon the credit card ~~either~~ by name, account  
 1050 number, symbol, insignia, or ~~any~~ other method or device of  
 1051 identification. This subparagraph does not apply as to health  
 1052 insurance or to credit life, credit disability, or credit  
 1053 property insurance.

1054 2. If ~~Whenever~~ any person does or performs in this state  
 1055 any of the acts in violation of subparagraph 1. for or on behalf  
 1056 of an ~~any~~ insurer or credit card facility, such insurer or  
 1057 credit card facility shall be deemed ~~held~~ to be doing business  
 1058 in this state and, if an insurer, shall be subject to the same  
 1059 state, county, and municipal taxes as insurers that have been  
 1060 legally qualified and admitted to do business in this state by  
 1061 agents or otherwise are subject, the same to be assessed and  
 1062 collected against such insurers; and such person so doing or  
 1063 performing any of such acts is ~~shall be~~ personally liable for  
 1064 all such taxes.

1065 3. A licensed agent or insurer may solicit or negotiate ~~any~~  
 1066 insurance; seek or accept applications for insurance; issue or  
 1067 deliver any policy; receive, collect, or transmit premiums, to  
 1068 or for an ~~any~~ insurer; or otherwise transact insurance in this  
 1069 state, or relative to a subject of insurance resident, located,  
 1070 or to be performed in this state, through the arrangement or  
 1071 facilities of a credit card facility or organization, for the  
 1072 purpose of insuring credit card holders or prospective credit  
 1073 card holders if:

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1074 a. The insurance or policy which is the subject of the  
 1075 transaction is noncancelable by any person other than the named  
 1076 insured, the policyholder, or the insurer;

1077 b. Any refund of unearned premium is made ~~directly~~ to the  
 1078 credit card holder by mail or electronic transfer; and

1079 c. The credit card transaction is authorized by the  
 1080 signature of the credit card holder or other person authorized  
 1081 to sign on the credit card account.

1082  
 1083 The conditions enumerated in sub-subparagraphs a.-c. do not  
 1084 apply to health insurance or to credit life, credit disability,  
 1085 or credit property insurance; and sub-subparagraph c. does not  
 1086 apply to property and casualty insurance if ~~so long as~~ the  
 1087 transaction is authorized by the insured.

1088 4. No person may use or disclose information resulting from  
 1089 the use of a credit card in conjunction with the purchase of  
 1090 insurance if, ~~when~~ such information is to the advantage of the  
 1091 ~~such~~ credit card facility or an insurance agent, or is to the  
 1092 detriment of the insured or any other insurance agent; except  
 1093 that this provision does not prohibit a credit card facility  
 1094 from using or disclosing such information in a ~~any~~ judicial  
 1095 proceeding or consistent with applicable law on credit  
 1096 reporting.

1097 5. ~~No~~ Such insurance may not ~~shall~~ be sold through a credit  
 1098 card facility in conjunction with membership in any automobile  
 1099 club. The term "automobile club" means a legal entity that  
 1100 ~~which~~, in consideration of dues, assessments, or periodic  
 1101 payments of money, promises its members or subscribers to assist  
 1102 them in matters relating to the ownership, operation, use, or

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1103 maintenance of a motor vehicle; however, the term definition of  
 1104 ~~automobile clubs~~ does not include persons, associations, or  
 1105 corporations ~~that which~~ are organized and operated solely for  
 1106 the purpose of conducting, sponsoring, or sanctioning motor  
 1107 vehicle races, exhibitions, or contests upon racetracks, or upon  
 1108 race courses established and marked as such for the duration of  
 1109 such particular event. The words "motor vehicle" used herein  
 1110 shall be the same as defined in chapter 320.

1111 Section 25. Paragraph (b) of subsection (2) of section  
 1112 627.062, Florida Statutes, is amended to read:

1113 627.062 Rate standards.—

1114 (2) As to all such classes of insurance:

1115 (b) Upon receiving a rate filing, the office shall review  
 1116 the filing to determine whether the ~~if a~~ rate is excessive,  
 1117 inadequate, or unfairly discriminatory. In making that  
 1118 determination, the office shall, in accordance with generally  
 1119 accepted and reasonable actuarial techniques, consider the  
 1120 following factors:

1121 1. Past and prospective loss experience within and without  
 1122 this state.

1123 2. Past and prospective expenses.

1124 3. The degree of competition among insurers for the risk  
 1125 insured.

1126 4. Investment income reasonably expected by the insurer,  
 1127 consistent with the insurer's investment practices, from  
 1128 investable premiums anticipated in the filing, plus any other  
 1129 expected income from currently invested assets representing the  
 1130 amount expected on unearned premium reserves and loss reserves.  
 1131 The commission may adopt rules using reasonable techniques of

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1132 actuarial science and economics to specify the manner in which  
 1133 insurers calculate investment income attributable to classes of  
 1134 insurance written in this state and the manner in which  
 1135 investment income is used to calculate insurance rates. Such  
 1136 manner must contemplate allowances for an underwriting profit  
 1137 factor and full consideration of investment income ~~that which~~  
 1138 produce a reasonable rate of return; however, investment income  
 1139 from invested surplus may not be considered.

1140 5. The reasonableness of the judgment reflected in the  
 1141 filing.

1142 6. Dividends, savings, or unabsorbed premium deposits  
 1143 allowed or returned to Florida policyholders, members, or  
 1144 subscribers.

1145 7. The adequacy of loss reserves.

1146 8. The cost of reinsurance. The office may not disapprove a  
 1147 rate as excessive solely due to the insurer's ~~insurer~~ having  
 1148 obtained catastrophic reinsurance to cover the insurer's  
 1149 estimated 250-year probable maximum loss or any lower level of  
 1150 loss.

1151 9. Trend factors, including trends in actual losses per  
 1152 insured unit for the insurer making the filing.

1153 10. Conflagration and catastrophe hazards, if applicable.

1154 11. Projected hurricane losses, if applicable, which must  
 1155 be estimated using a model or method, or a straight average of  
 1156 model results or output ranges, which are independently found to  
 1157 be acceptable or reliable by the Florida Commission on Hurricane  
 1158 Loss Projection Methodology, and as further provided in s.

1159 627.0628.

1160 12. A reasonable margin for underwriting profit and

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1161 contingencies.

1162 13. The cost of medical services, if applicable.

1163 14. Other relevant factors that affect the frequency or  
1164 severity of claims or expenses.

1165 Section 26. Paragraph (d) of subsection (3) of section  
1166 627.0628, Florida Statutes, is amended to read:

1167 627.0628 Florida Commission on Hurricane Loss Projection  
1168 Methodology; public records exemption; public meetings  
1169 exemption.-

1170 (3) ADOPTION AND EFFECT OF STANDARDS AND GUIDELINES.-

1171 (d) With respect to a rate filing under s. 627.062, an  
1172 insurer shall employ and may not modify or adjust actuarial  
1173 methods, principles, standards, models, or output ranges found  
1174 by the commission to be accurate or reliable in determining

1175 hurricane loss factors for use in a rate filing under s.  
1176 627.062. An insurer shall employ and may not modify or adjust  
1177 models found by the commission to be accurate or reliable in  
1178 determining probable maximum loss levels pursuant to paragraph

1179 (b) with respect to a rate filing under s. 627.062 made more  
1180 than 180 ~~60~~ days after the commission has made such findings.

1181 This paragraph does not prohibit an insurer from using a  
1182 straight average of model results or output ranges or using  
1183 straight averages for the purposes of a rate filing under s.  
1184 627.062.

1185 Section 27. Subsection (8) of section 627.0651, Florida  
1186 Statutes, is amended to read:

1187 627.0651 Making and use of rates for motor vehicle  
1188 insurance.-

1189 (8) Rates are not unfairly discriminatory if averaged

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1190 broadly among members of a group; nor are rates unfairly  
1191 discriminatory even though they are lower than rates for  
1192 nonmembers of the group. However, such rates are unfairly  
1193 discriminatory if they are not actuarially measurable and  
1194 credible and sufficiently related to actual or expected loss and  
1195 expense experience of the group so as to ensure ~~assure~~ that  
1196 nonmembers of the group are not unfairly discriminated against.  
1197 Use of a single United States Postal Service zip code as a  
1198 rating territory shall be deemed unfairly discriminatory unless  
1199 filed pursuant to paragraph (1)(a) and such rating territory  
1200 incorporates sufficient actual or expected loss and loss  
1201 adjustment expense experience so as to be actuarially measurable  
1202 and credible.

1203 Section 28. Present subsections (2) through (4) of section  
1204 627.072, Florida Statutes, are redesignated as subsections (3)  
1205 through (5), respectively, and a new subsection (2) is added to  
1206 that section, to read:

1207 627.072 Making and use of rates.-

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

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

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

1218 (2) If the ~~such~~ appeal is based on ~~upon~~ the failure of the



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

1228 Section 30. Paragraph (h) of subsection (5) of section  
 1229 627.311, Florida Statutes, is amended to read:

1230 627.311 Joint underwriters and joint reinsurers; public  
 1231 records and public meetings exemptions.-

1232 (5)

1233 (h) Any premium or assessments collected by the plan in  
 1234 excess of the amount necessary to fund projected ultimate  
 1235 incurred losses and expenses of the plan and not paid to  
 1236 insureds of the plan in conjunction with loss prevention or  
 1237 dividend programs shall be retained by the plan for future use.  
 1238 Any state funds received by the plan in excess of the amount  
 1239 necessary to fund deficits in subplan D or any tier shall be  
 1240 returned to the state. Any dividend payable to a former insured  
 1241 of the plan may be retained by the plan for future use upon such  
 1242 terms as set forth in the declaration of dividend.

1243 Section 31. Subsection (9) of section 627.3518, Florida  
 1244 Statutes, is amended to read:

1245 627.3518 Citizens Property Insurance Corporation  
 1246 policyholder eligibility clearinghouse program.-The purpose of  
 1247 this section is to provide a framework for the corporation to

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1248 implement a clearinghouse program by January 1, 2014.

1249 (9) The 45-day notice of nonrenewal requirement set forth  
 1250 in s. 627.4133(2)(b)5. ~~627.4133(2)(b)4.b.~~ applies when a policy  
 1251 is nonrenewed by the corporation because the risk has received  
 1252 an offer of coverage pursuant to this section which renders the  
 1253 risk ineligible for coverage by the corporation.

1254 Section 32. Section 627.3519, Florida Statutes, is  
 1255 repealed.

1256 Section 33. Section 627.409, Florida Statutes, is amended  
 1257 to read:

1258 627.409 Representations in applications; warranties.-

1259 (1) Any statement or description made by or on behalf of an  
 1260 insured or annuitant in an application for an insurance policy  
 1261 or annuity contract, or in negotiations for a policy or  
 1262 contract, is a representation and ~~is~~ not a warranty. Except as  
 1263 provided in subsection (3), a misrepresentation, omission,  
 1264 concealment of fact, or incorrect statement may prevent recovery  
 1265 under the contract or policy only if any of the following apply:

1266 (a) The misrepresentation, omission, concealment, or  
 1267 statement is fraudulent or is material ~~either~~ to the acceptance  
 1268 of the risk or to the hazard assumed by the insurer.

1269 (b) If the true facts had been known to the insurer  
 1270 pursuant to a policy requirement or other requirement, the  
 1271 insurer in good faith would not have issued the policy or  
 1272 contract, would not have issued it at the same premium rate,  
 1273 would not have issued a policy or contract in as large an  
 1274 amount, or would not have provided coverage with respect to the  
 1275 hazard resulting in the loss.

1276 (2) A breach or violation by the insured of a ~~any~~ warranty,

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1277 condition, or provision of a any wet marine or transportation  
 1278 insurance policy, contract of insurance, endorsement, or  
 1279 application ~~therefor~~ does not void the policy or contract, or  
 1280 constitute a defense to a loss thereon, unless such breach or  
 1281 violation increased the hazard by any means within the control  
 1282 of the insured.

1283 (3) For residential property insurance, if a policy or  
 1284 contract is in effect for more than 90 days, a claim filed by  
 1285 the insured may not be denied based on credit information  
 1286 available in public records.

1287 Section 34. Paragraph (b) of subsection (2) of section  
 1288 627.4133, Florida Statutes, is amended to read:

1289 627.4133 Notice of cancellation, nonrenewal, or renewal  
 1290 premium.—

1291 (2) With respect to a any personal lines or commercial  
 1292 residential property insurance policy, including a, but not  
 1293 ~~limited to, any~~ homeowner's, mobile home owner's, farmowner's,  
 1294 condominium association, condominium unit owner's, apartment  
 1295 building, or other policy covering a residential structure or  
 1296 its contents:

1297 (b) The insurer shall give the first-named insured written  
 1298 notice of nonrenewal, cancellation, or termination at least 120  
 1299 ~~100~~ days before the effective date of the nonrenewal,  
 1300 cancellation, or termination. ~~However, the insurer shall give at~~  
 1301 ~~least 100 days' written notice, or written notice by June 1,~~  
 1302 ~~whichever is earlier, for any nonrenewal, cancellation, or~~  
 1303 ~~termination that would be effective between June 1 and November~~  
 1304 ~~30.~~ The notice must include the reason or reasons for the  
 1305 nonrenewal, cancellation, or termination, except that:

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1306 ~~1. The insurer shall give the first-named insured written~~  
 1307 ~~notice of nonrenewal, cancellation, or termination at least 120~~  
 1308 ~~days prior to the effective date of the nonrenewal,~~  
 1309 ~~cancellation, or termination for a first-named insured whose~~  
 1310 ~~residential structure has been insured by that insurer or an~~  
 1311 ~~affiliated insurer for at least a 5-year period immediately~~  
 1312 ~~prior to the date of the written notice.~~

1313 1.2. If cancellation is for nonpayment of premium, at least  
 1314 10 days' written notice of cancellation accompanied by the  
 1315 reason therefor must be given. As used in this subparagraph, the  
 1316 term "nonpayment of premium" means failure of the named insured  
 1317 to discharge when due her or his obligations for paying the  
 1318 premium in connection with the payment of premiums on a policy  
 1319 or an any installment of such premium, whether the premium is  
 1320 payable directly to the insurer or its agent or indirectly under  
 1321 any premium finance plan or extension of credit, or failure to  
 1322 maintain membership in an organization if such membership is a  
 1323 condition precedent to insurance coverage. The term also means  
 1324 the failure of a financial institution to honor an insurance  
 1325 applicant's check after delivery to a licensed agent for payment  
 1326 of a premium, even if the agent has previously delivered or  
 1327 transferred the premium to the insurer. If a dishonored check  
 1328 represents the initial premium payment, the contract and all  
 1329 contractual obligations are void ab initio unless the nonpayment  
 1330 is cured within the earlier of 5 days after actual notice by  
 1331 certified mail is received by the applicant or 15 days after  
 1332 notice is sent to the applicant by certified mail or registered  
 1333 mail, ~~and~~ If the contract is void, any premium received by the  
 1334 insurer from a third party must be refunded to that party in

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full.

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

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

4. After a policy or contract has been in effect for 90 days, the insurer may not cancel or terminate the policy or contract based on credit information available in public records. The requirement for providing written notice by June 1 of any nonrenewal that would be effective between June 1 and November 30 does not apply to the following situations, but the insurer remains subject to the requirement to provide such notice at least 100 days before the effective date of nonrenewal:

~~a. A policy that is nonrenewed due to a revision in the coverage for sinkhole losses and catastrophic ground cover~~

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1391  
1392~~collapse pursuant to s. 627.706.~~

~~5.4-~~ A policy that is nonrenewed by Citizens Property Insurance Corporation, pursuant to s. 627.351(6), for a policy that has been assumed by an authorized insurer offering replacement coverage to the policyholder is exempt from the notice requirements of paragraph (a) and this paragraph. In such cases, the corporation must give the named insured written notice of nonrenewal at least 45 days before the effective date of the nonrenewal.

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

~~6.5-~~ Notwithstanding any other ~~provision of~~ law, an insurer may cancel or nonrenew a property insurance policy after at least 45 days' notice if the office finds that the early cancellation of some or all of the insurer's policies is necessary to protect the best interests of the public or policyholders and the office approves the insurer's plan for early cancellation or nonrenewal of some or all of its policies. The office may base such finding upon the financial condition of the insurer, lack of adequate reinsurance coverage for hurricane risk, or other relevant factors. The office may condition its

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1393 finding on the consent of the insurer to be placed under  
 1394 administrative supervision pursuant to s. 624.81 or to the  
 1395 appointment of a receiver under chapter 631.

1396 ~~7.6-~~ A policy covering both a home and a motor vehicle may  
 1397 be nonrenewed for any reason applicable to ~~either~~ the property  
 1398 or motor vehicle insurance after providing 90 days' notice.

1399 Section 35. Subsection (1) of section 627.4137, Florida  
 1400 Statutes, is amended to read:

1401 627.4137 Disclosure of certain information required.-

1402 (1) Each insurer that provides ~~which does~~ or may provide  
 1403 liability insurance coverage to pay all or a portion of a ~~any~~  
 1404 claim that ~~which~~ might be made shall ~~provide~~, within 30 days  
 1405 after ~~of~~ the written request of the claimant, provide a  
 1406 statement, under oath, of a corporate officer or the insurer's  
 1407 claims manager, ~~or~~ superintendent, or licensed company adjuster  
 1408 setting forth the following information with regard to each  
 1409 known policy of insurance, including excess or umbrella  
 1410 insurance:

1411 (a) The name of the insurer.

1412 (b) The name of each insured.

1413 (c) The limits of the liability coverage.

1414 (d) A statement of any policy or coverage defense that the  
 1415 ~~which such~~ insurer reasonably believes is available to the such  
 1416 insurer at the time of filing such statement.

1417 (e) A copy of the policy.

1418

1419 ~~In addition,~~ The insured, or her or his insurance agent, upon  
 1420 written request of the claimant or the claimant's attorney,  
 1421 shall also disclose the name and coverage of each known insurer

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1422 to the claimant and ~~shall~~ forward the such request for  
 1423 information ~~as~~ required by this subsection to all affected  
 1424 insurers. The insurer shall ~~then~~ supply the required information  
 1425 ~~required in this subsection~~ to the claimant within 30 days after  
 1426 ~~of~~ receipt of such request.

1427 Section 36. Subsection (1) of section 627.421, Florida  
 1428 Statutes, is amended to read:

1429 627.421 Delivery of policy.-

1430 (1) Subject to the insurer's requirement as to payment of  
 1431 premium, every policy shall be mailed, delivered, or  
 1432 electronically transmitted to the insured or to the person  
 1433 entitled thereto within not later than 60 days after the  
 1434 effectuation of coverage. Notwithstanding any other provision of  
 1435 law, an insurer may allow a policyholder of personal lines  
 1436 insurance to affirmatively elect delivery of the policy  
 1437 documents, including policies, endorsements, notices, or other  
 1438 documents, by electronic means in lieu of delivery by mail.  
 1439 Electronic transmission of a policy for commercial risks,  
 1440 including, but not limited to, workers' compensation and  
 1441 employers' liability, commercial automobile liability,  
 1442 commercial automobile physical damage, commercial lines  
 1443 residential property, commercial nonresidential property, farm  
 1444 owners' insurance, and the types of commercial lines risks set  
 1445 forth in s. 627.062(3)(d), constitute ~~shall constitute~~ delivery  
 1446 to the insured or to the person entitled to delivery, unless the  
 1447 insured or the person entitled to delivery communicates to the  
 1448 insurer in writing or electronically that he or she does not  
 1449 agree to delivery by electronic means. Electronic transmission  
 1450 must ~~shall~~ include a notice to the insured or to the person

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1451 entitled to delivery of a policy of his or her right to receive  
 1452 the policy via United States mail rather than via electronic  
 1453 transmission. A paper copy of the policy shall be provided to  
 1454 the insured or to the person entitled to delivery at his or her  
 1455 request.

1456 Section 37. Subsection (2) of section 627.43141, Florida  
 1457 Statutes, is amended to read:

1458 627.43141 Notice of change in policy terms.-

1459 (2) A renewal policy may contain a change in policy terms.  
 1460 If a renewal policy contains ~~does contain~~ such change, the  
 1461 insurer must give the named insured written notice of the  
 1462 change, which may ~~must~~ be enclosed along with the written notice  
 1463 of renewal premium required by ss. 627.4133 and 627.728 or be  
 1464 sent in a separate notice that complies with the nonrenewal  
 1465 mailing time requirement for that particular line of business.

1466 The insurer must also provide a sample copy of the notice to the  
 1467 insured's insurance agent before or at the same time that notice  
 1468 is given to the insured. Such notice shall be entitled "Notice  
 1469 of Change in Policy Terms."

1470 Section 38. Section 627.4553, Florida Statutes, is created  
 1471 to read:

1472 627.4553 Recommendations to surrender.-If an insurance  
 1473 agent recommends the surrender of an annuity or life insurance  
 1474 policy containing a cash value and is not recommending that the  
 1475 proceeds from the surrender be used to fund or purchase another  
 1476 annuity or life insurance policy, before execution of the  
 1477 surrender, the insurance agent, or the insurance company if no  
 1478 agent is involved, shall provide, on a form adopted by rule by  
 1479 the department, information concerning the annuity or policy to

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1480 be surrendered, including the amount of any surrender charge,  
 1481 the loss of any minimum interest rate guarantees, the amount of  
 1482 any tax consequences resulting from the surrender, the amount of  
 1483 any forfeited death benefit, and the value of any other  
 1484 investment performance guarantees being forfeited as a result of  
 1485 the surrender. This section also applies to a person performing  
 1486 insurance agent activities pursuant to an exemption from  
 1487 licensure under this part.

1488 Section 39. Paragraph (b) of subsection (4) of section  
 1489 627.7015, Florida Statutes, is amended to read:

1490 627.7015 Alternative procedure for resolution of disputed  
 1491 property insurance claims.-

1492 (4) The department shall adopt by rule a property insurance  
 1493 mediation program to be administered by the department or its  
 1494 designee. The department may also adopt special rules which are  
 1495 applicable in cases of an emergency within the state. The rules  
 1496 shall be modeled after practices and procedures set forth in  
 1497 mediation rules of procedure adopted by the Supreme Court. The  
 1498 rules must ~~shall~~ provide ~~for~~:

1499 (b) Qualifications, denial of application, suspension,  
 1500 revocation of approval, and other penalties for ~~of~~ mediators as  
 1501 provided in s. 627.745 and in the Florida Rules for ~~of~~ Certified  
 1502 and Court-Appointed ~~Court-Appointed~~ Mediators, ~~and for such~~  
 1503 ~~other individuals as are qualified by education, training, or~~  
 1504 ~~experience as the department determines to be appropriate.~~

1505 Section 40. Section 627.70151, Florida Statutes, is created  
 1506 to read:

1507 627.70151 Appraisal; conflicts of interest.-An insurer that  
 1508 offers residential coverage, as defined in s. 627.4025, or a

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1509 policyholder that uses an appraisal clause in the property  
 1510 insurance contract to establish a process for estimating or  
 1511 evaluating the amount of the loss through the use of an  
 1512 impartial umpire may challenge the umpire's impartiality and  
 1513 disqualify the proposed umpire only if:

1514 (1) A familial relationship within the third degree exists  
 1515 between the umpire and a party or a representative of a party;

1516 (2) The umpire has previously represented a party or a  
 1517 representative of a party in a professional capacity in the same  
 1518 or a substantially related matter;

1519 (3) The umpire has represented another person in a  
 1520 professional capacity on the same or a substantially related  
 1521 matter, which includes the claim, same property, or an adjacent  
 1522 property and that other person's interests are materially  
 1523 adverse to the interests of any party; or

1524 (4) The umpire has worked as an employer or employee of a  
 1525 party within the preceding 5 years.

1526 Section 41. Paragraph (c) of subsection (2) of section  
 1527 627.706, Florida Statutes, is amended to read:

1528 627.706 Sinkhole insurance; catastrophic ground cover  
 1529 collapse; definitions.—

1530 (2) As used in ss. 627.706–627.7074, and as used in  
 1531 connection with any policy providing coverage for a catastrophic  
 1532 ground cover collapse or for sinkhole losses, the term:

1533 (c) "Neutral evaluator" means a professional engineer or a  
 1534 professional geologist who has completed a course of study in  
 1535 alternative dispute resolution designed or approved by the  
 1536 department for use in the neutral evaluation process, ~~and~~ who is  
 1537 determined by the department to be fair and impartial, and who

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1538 is not otherwise ineligible for certification as provided in s.  
 1539 627.7074.

1540 Section 42. Subsections (3), (7), and (18) of section  
 1541 627.7074, Florida Statutes, are amended to read:

1542 627.7074 Alternative procedure for resolution of disputed  
 1543 sinkhole insurance claims.—

1544 (3) Following the receipt of the report required ~~provided~~  
 1545 under s. 627.7073 or the denial of a claim for a sinkhole loss,  
 1546 the insurer shall notify the policyholder of his or her right to  
 1547 participate in the neutral evaluation program under this section  
 1548 if coverage is available under the policy and the claim was  
 1549 submitted within the timeframe provided in s. 627.706(5).

1550 Neutral evaluation supersedes the alternative dispute resolution  
 1551 process under s. 627.7015 but does not invalidate the appraisal  
 1552 clause of the insurance policy. The insurer shall provide to the  
 1553 policyholder the consumer information pamphlet prepared by the  
 1554 department pursuant to subsection (1) electronically or by  
 1555 United States mail.

1556 (7) Upon receipt of a request for neutral evaluation, the  
 1557 department shall provide the parties a list of certified neutral  
 1558 evaluators. The department shall allow the parties to submit  
 1559 requests for disqualifying ~~to disqualify~~ evaluators on the list  
 1560 for cause.

1561 (a) The department shall disqualify neutral evaluators for  
 1562 cause based only on any of the following grounds:

1563 1. A familial relationship exists between the neutral  
 1564 evaluator and either party or a representative of either party  
 1565 within the third degree.

1566 2. The proposed neutral evaluator has, in a professional

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1567 capacity, previously represented either party or a  
 1568 representative of either party, in the same or a substantially  
 1569 related matter.

1570 3. The proposed neutral evaluator has, in a professional  
 1571 capacity, represented another person in the same or a  
 1572 substantially related matter and that person's interests are  
 1573 materially adverse to the interests of the parties. The term  
 1574 "substantially related matter" means participation by the  
 1575 neutral evaluator on the same claim, property, or adjacent  
 1576 property.

1577 4. The proposed neutral evaluator has, within the preceding  
 1578 5 years, worked as an employer or employee of a any party to the  
 1579 case.

1580 (b) The department shall deny an application, or suspend or  
 1581 revoke the certification, of a neutral evaluator to serve in the  
 1582 neutral evaluator capacity if the department finds that one or  
 1583 more of the following grounds exist:

1584 1. Lack of one or more of the qualifications for  
 1585 certification specified in this section.

1586 2. Material misstatement, misrepresentation, or fraud in  
 1587 obtaining or attempting to obtain the certification.

1588 3. Demonstrated lack of fitness or trustworthiness to act  
 1589 as a neutral evaluator.

1590 4. Fraudulent or dishonest practices in the conduct of an  
 1591 evaluation or in the conduct of business in the financial  
 1592 services industry.

1593 5. Violation of any provision of this code or of a lawful  
 1594 order or rule of the department or aiding, instructing, or  
 1595 encouraging another party to commit such violation.

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1596 ~~(c)~~ (b) The parties shall appoint a neutral evaluator from  
 1597 the department list and promptly inform the department. If the  
 1598 parties cannot agree to a neutral evaluator within 14 business  
 1599 days, the department shall appoint a neutral evaluator from the  
 1600 list of certified neutral evaluators. The department shall allow  
 1601 each party to disqualify two neutral evaluators without cause.  
 1602 Upon selection or appointment, the department shall promptly  
 1603 refer the request to the neutral evaluator.

1604 ~~(d)~~ (e) Within 14 business days after the referral, the  
 1605 neutral evaluator shall notify the policyholder and the insurer  
 1606 of the date, time, and place of the neutral evaluation  
 1607 conference. The conference may be held by telephone, if feasible  
 1608 and desirable. The neutral evaluator shall make reasonable  
 1609 efforts to hold the conference within 90 days after the receipt  
 1610 of the request by the department. Failure of the neutral  
 1611 evaluator to hold the conference within 90 days does not  
 1612 invalidate either party's right to neutral evaluation or to a  
 1613 neutral evaluation conference held outside this timeframe.

1614 (18) The department shall adopt rules of procedure for the  
 1615 neutral evaluation process and for certifying, denying or  
 1616 suspending the certification of, and revoking certification as,  
 1617 a neutral evaluator.

1618 Section 43. Subsection (8) of section 627.711, Florida  
 1619 Statutes, is amended to read:

1620 627.711 Notice of premium discounts for hurricane loss  
 1621 mitigation; uniform mitigation verification inspection form.—

1622 (8) At its expense, the insurer may require that a uniform  
 1623 mitigation verification form provided by a policyholder, a  
 1624 policyholder's agent, or an authorized mitigation inspector or

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1625 inspection company be independently verified by an inspector, an  
 1626 inspection company, or an independent third-party quality  
 1627 assurance provider ~~that which~~ possesses a quality assurance  
 1628 program before accepting the uniform mitigation verification  
 1629 form as valid. The insurer may exempt from additional  
 1630 independent verification any uniform mitigation verification  
 1631 form provided by a policyholder, a policyholder's agent, an  
 1632 authorized mitigation inspector, or an inspection company that  
 1633 possesses a quality assurance program that meets the standards  
 1634 established by the insurer. A uniform mitigation verification  
 1635 form provided by a policyholder, a policyholder's agent, an  
 1636 authorized mitigation inspector, or an inspection company to  
 1637 Citizens Property Insurance Corporation is not subject to  
 1638 additional verification, and the property is not subject to  
 1639 reinspection by the corporation, absent material changes to the  
 1640 structure for the term stated on the form if the form signed by  
 1641 a qualified inspector was submitted to, reviewed, and verified  
 1642 by a quality assurance program approved by the corporation  
 1643 before submission to the corporation.

1644 Section 44. Subsections (1), (2), and (3) of section  
 1645 627.7283, Florida Statutes, are amended to read:

1646 627.7283 Cancellation; return of premium.—

1647 (1) If the insured cancels a policy of motor vehicle  
 1648 insurance, the insurer must mail or electronically transfer the  
 1649 unearned portion of any premium paid within 30 days after the  
 1650 effective date of the policy cancellation or receipt of notice  
 1651 or request for cancellation, whichever is later. This  
 1652 requirement applies to a cancellation initiated by an insured  
 1653 for any reason.

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1654 (2) If an insurer cancels a policy of motor vehicle  
 1655 insurance, the insurer must mail or electronically transfer the  
 1656 unearned premium portion of any premium within 15 days after the  
 1657 effective date of the policy cancellation.

1658 (3) If the unearned premium is not mailed or electronically  
 1659 transferred within the applicable period, the insurer must pay  
 1660 to the insured 8 percent interest on the amount due. If the  
 1661 unearned premium is not mailed or electronically transferred  
 1662 within 45 days after the applicable period, the insured may  
 1663 bring an action against the insurer pursuant to s. 624.155.

1664 Section 45. Paragraph (a) of subsection (5) of section  
 1665 627.736, Florida Statutes, is amended to read:

1666 627.736 Required personal injury protection benefits;  
 1667 exclusions; priority; claims.—

1668 (5) CHARGES FOR TREATMENT OF INJURED PERSONS.—

1669 (a) A physician, hospital, clinic, or other person or  
 1670 institution lawfully rendering treatment to an injured person  
 1671 for a bodily injury covered by personal injury protection  
 1672 insurance may charge the insurer and injured party only a  
 1673 reasonable amount pursuant to this section for the services and  
 1674 supplies rendered, and the insurer providing such coverage may  
 1675 directly pay for such charges directly to the such person or  
 1676 institution lawfully rendering ~~such~~ treatment if the insured  
 1677 receiving such treatment or his or her guardian has  
 1678 countersigned the properly completed invoice, bill, or claim  
 1679 form approved by the office upon which such charges are to be  
 1680 paid ~~for~~ as having actually been rendered, to the best knowledge  
 1681 of the insured or his or her guardian. However, such a charge  
 1682 may not exceed the amount the person or institution customarily

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1683 charges for like services or supplies. In determining whether a  
 1684 charge for a particular service, treatment, or otherwise is  
 1685 reasonable, consideration may be given to evidence of usual and  
 1686 customary charges and payments accepted by the provider involved  
 1687 in the dispute, reimbursement levels in the community and  
 1688 various federal and state medical fee schedules applicable to  
 1689 motor vehicle and other insurance coverages, and other  
 1690 information relevant to the reasonableness of the reimbursement  
 1691 ~~for the service, treatment, or supply.~~

1692 1. The insurer may limit reimbursement to 80 percent of the  
 1693 following schedule of maximum charges:

1694 a. For emergency transport and treatment by providers  
 1695 licensed under chapter 401, 200 percent of Medicare.

1696 b. For emergency services and care provided by a hospital  
 1697 licensed under chapter 395, 75 percent of the hospital's usual  
 1698 and customary charges.

1699 c. For emergency services and care as defined by s. 395.002  
 1700 provided in a facility licensed under chapter 395 rendered by a  
 1701 physician or dentist, and related hospital inpatient services  
 1702 rendered by a physician or dentist, the usual and customary  
 1703 charges in the community.

1704 d. For hospital inpatient services, other than emergency  
 1705 services and care, 200 percent of the Medicare Part A  
 1706 prospective payment applicable to the specific hospital  
 1707 providing the inpatient services.

1708 e. For hospital outpatient services, other than emergency  
 1709 services and care, 200 percent of the Medicare Part A Ambulatory  
 1710 Payment Classification for the specific hospital providing the  
 1711 outpatient services.

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1712 f. For all other medical services, supplies, and care, 200  
 1713 percent of the allowable amount under:

1714 (I) The participating physicians fee schedule of Medicare  
 1715 Part B, except as provided in sub-sub-subparagraphs (II) and  
 1716 (III).

1717 (II) Medicare Part B, in the case of services, supplies,  
 1718 and care provided by ambulatory surgical centers and clinical  
 1719 laboratories.

1720 (III) The Durable Medical Equipment Prosthetics/Orthotics  
 1721 and Supplies fee schedule of Medicare Part B, in the case of  
 1722 durable medical equipment.

1723  
 1724 However, if such services, supplies, or care is not reimbursable  
 1725 under Medicare Part B, as provided in this sub-subparagraph, the  
 1726 insurer may limit reimbursement to 80 percent of the maximum  
 1727 reimbursable allowance under workers' compensation, as  
 1728 determined under s. 440.13 and rules adopted thereunder which  
 1729 are in effect at the time such services, supplies, or care is  
 1730 provided. Services, supplies, or care that is not reimbursable  
 1731 under Medicare or workers' compensation is not required to be  
 1732 reimbursed by the insurer.

1733 2. For purposes of subparagraph 1., the applicable fee  
 1734 schedule or payment limitation under Medicare is the fee  
 1735 schedule or payment limitation in effect on March 1 of the year  
 1736 in which the services, supplies, or care is rendered and for the  
 1737 area in which such services, supplies, or care is rendered, and  
 1738 the applicable fee schedule or payment limitation applies from  
 1739 March 1 until the last day of February throughout the remainder  
 1740 of the following ~~that~~ year, notwithstanding any subsequent

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1741 change made to the fee schedule or payment limitation, except  
 1742 that it may not be less than the allowable amount under the  
 1743 applicable schedule of Medicare Part B for 2007 for medical  
 1744 services, supplies, and care subject to Medicare Part B.

1745 3. Subparagraph 1. does not allow the insurer to apply a  
 1746 ~~any~~ limitation on the number of treatments or other utilization  
 1747 limits that apply under Medicare or workers' compensation. An  
 1748 insurer that applies the allowable payment limitations of  
 1749 subparagraph 1. must reimburse a provider who lawfully provided  
 1750 care or treatment under the scope of his or her license,  
 1751 regardless of whether such provider is entitled to reimbursement  
 1752 under Medicare due to restrictions or limitations on the types  
 1753 or discipline of health care providers who may be reimbursed for  
 1754 particular procedures or procedure codes. However, subparagraph  
 1755 1. does not prohibit an insurer from using the Medicare coding  
 1756 policies and payment methodologies of the federal Centers for  
 1757 Medicare and Medicaid Services, including applicable modifiers,  
 1758 to determine the appropriate amount of reimbursement for medical  
 1759 services, supplies, or care if the coding policy or payment  
 1760 methodology does not constitute a utilization limit.

1761 4. If an insurer limits payment as authorized by  
 1762 subparagraph 1., the person providing such services, supplies,  
 1763 or care may not bill or attempt to collect from the insured any  
 1764 amount in excess of such limits, except for amounts that are not  
 1765 covered by the insured's personal injury protection coverage due  
 1766 to the coinsurance amount or maximum policy limits.

1767 5. ~~Effective July 1, 2012,~~ An insurer may limit payment as  
 1768 authorized by this paragraph only if the insurance policy  
 1769 includes a notice at the time of issuance or renewal that the

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1770 insurer may limit payment pursuant to the schedule of charges  
 1771 specified in this paragraph. A policy form approved by the  
 1772 office satisfies this requirement. If a provider submits a  
 1773 charge for an amount less than the amount allowed under  
 1774 subparagraph 1., the insurer may pay the amount of the charge  
 1775 submitted.

1776 Section 46. Subsection (1) and paragraphs (a) and (b) of  
 1777 subsection (2) of section 627.744, Florida Statutes, are amended  
 1778 to read:

1779 627.744 Required preinsurance inspection of private  
 1780 passenger motor vehicles.—

1781 (1) A private passenger motor vehicle insurance policy  
 1782 providing physical damage coverage, including collision or  
 1783 comprehensive coverage, may not be issued in this state unless  
 1784 the insurer has inspected the motor vehicle in accordance with  
 1785 this section. Physical damage coverage on a motor vehicle may  
 1786 not be suspended during the term of the policy due to the  
 1787 applicant's failure to provide required documents. However,  
 1788 payment of a claim may be conditioned upon the insurer's receipt  
 1789 of the required documents, and physical damage loss occurring  
 1790 after the effective date of coverage is not payable until the  
 1791 documents are provided to the insurer.

1792 (2) This section does not apply:

1793 (a) To a policy for a policyholder who has been insured for  
 1794 2 years or longer, without interruption, under a private  
 1795 passenger motor vehicle policy that ~~which~~ provides physical  
 1796 damage coverage for any vehicle, if the agent of the insurer  
 1797 verifies the previous coverage.

1798 (b) To a new, unused motor vehicle purchased or leased from

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1799 a licensed motor vehicle dealer or leasing company, if the  
1800 insurer is provided with:

1801 1. A bill of sale, ~~or~~ buyer's order, or lease agreement  
1802 that which contains a full description of the motor vehicle,  
1803 ~~including all options and accessories;~~ or

1804 2. A copy of the title or registration that which  
1805 establishes transfer of ownership from the dealer or leasing  
1806 company to the customer and a copy of the window sticker ~~or the~~  
1807 ~~dealer invoice showing the itemized options and equipment and~~  
1808 ~~the total retail price of the vehicle.~~

1809  
1810 ~~For the purposes of this paragraph, the physical damage coverage~~  
1811 ~~on the motor vehicle may not be suspended during the term of the~~  
1812 ~~policy due to the applicant's failure to provide the required~~  
1813 ~~documents. However, payment of a claim is conditioned upon the~~  
1814 ~~receipt by the insurer of the required documents, and no~~  
1815 ~~physical damage loss occurring after the effective date of the~~  
1816 ~~coverage is payable until the documents are provided to the~~  
1817 ~~insurer.~~

1818 Section 47. Paragraph (b) of subsection (3) of section  
1819 627.745, Florida Statutes, is amended, present subsections (4)  
1820 and (5) of that section are redesignated as subsections (5) and  
1821 (6), respectively, and a new subsection (4) is added to that  
1822 section, to read:

1823 627.745 Mediation of claims.—

1824 (3)

1825 (b) To qualify for approval as a mediator, an individual a  
1826 ~~person~~ must meet one of the following qualifications:

1827 1. Possess an active certification as a Florida Supreme

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1828 Court certified circuit court mediator. A circuit court mediator  
1829 whose certification is in a lapsed, suspended, or decertified  
1830 status is not eligible to participate in the program a masters  
1831 or doctorate degree in psychology, counseling, business,  
1832 accounting, or economics, be a member of The Florida Bar, be  
1833 licensed as a certified public accountant, or demonstrate that  
1834 the applicant for approval has been actively engaged as a  
1835 qualified mediator for at least 4 years prior to July 1, 1990.

1836 2. Be an approved department mediator as of July 1, 2014,  
1837 and have conducted at least one mediation on behalf of the  
1838 department within the 4 years immediately preceding that the  
1839 date the application for approval is filed with the department,  
1840 have completed a minimum of a 40 hour training program approved  
1841 by the department and successfully passed a final examination  
1842 included in the training program and approved by the department.  
1843 The training program shall include and address all of the  
1844 following:

1845 a. Mediation theory.

1846 b. Mediation process and techniques.

1847 c. Standards of conduct for mediators.

1848 d. Conflict management and intervention skills.

1849 e. Insurance nomenclature.

1850 (4) The department shall deny an application, or suspend or  
1851 revoke its approval of a mediator or certification of a neutral  
1852 evaluator to serve in such capacity, if the department finds  
1853 that any of the following grounds exist:

1854 (a) Lack of one or more of the qualifications for approval  
1855 or certification specified in this section.

1856 (b) Material misstatement, misrepresentation, or fraud in

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1857 obtaining, or attempting to obtain, the approval or  
 1858 certification.

1859 (c) Demonstrated lack of fitness or trustworthiness to act  
 1860 as a mediator or neutral evaluator.

1861 (d) Fraudulent or dishonest practices in the conduct of  
 1862 mediation or neutral evaluation or in the conduct of business in  
 1863 the financial services industry.

1864 (e) Violation of any provision of this code or of a lawful  
 1865 order or rule of the department, violation of the Florida Rules  
 1866 of Certified and Court Appointed Mediators, or aiding,  
 1867 instructing, or encouraging another party in committing such a  
 1868 violation.

1869 The department may adopt rules to administer this subsection.

1871 Section 48. Subsection (8) of section 627.782, Florida  
 1872 Statutes, is amended to read:

1873 627.782 Adoption of rates.—

1874 (8) Each title insurance agency and insurer licensed to do  
 1875 business in this state and each insurer's direct or retail  
 1876 business in this state shall maintain and submit information,  
 1877 including revenue, loss, and expense data, as the office  
 1878 determines necessary to assist in the analysis of title  
 1879 insurance premium rates, title search costs, and the condition  
 1880 of the title insurance industry in this state. This information  
 1881 must be transmitted to the office annually by ~~May~~ March 31 of  
 1882 the year after the reporting year. The commission shall adopt  
 1883 rules regarding the collection and analysis of the data from the  
 1884 title insurance industry.

1885 Section 49. Subsections (1), (3), (10), and (12) of section

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1886 628.461, Florida Statutes, are amended to read:

1887 628.461 Acquisition of controlling stock.—

1888 (1) A person may not, individually or in conjunction with  
 1889 an ~~any~~ affiliated person of such person, acquire directly or  
 1890 indirectly, conclude a tender offer or exchange offer for, enter  
 1891 into any agreement to exchange securities for, or otherwise  
 1892 finally acquire 10 ~~5~~ percent or more of the outstanding voting  
 1893 securities of a domestic stock insurer or of a controlling  
 1894 company, unless:

1895 (a) The person or affiliated person has filed with the  
 1896 office and sent to the insurer and controlling company a letter  
 1897 of notification regarding the transaction or proposed  
 1898 transaction within ~~no later than~~ 5 days after any form of tender  
 1899 offer or exchange offer is proposed, or within ~~no later than~~ 5  
 1900 days after the acquisition of the securities if no tender offer  
 1901 or exchange offer is involved. The notification must be provided  
 1902 on forms prescribed by the commission containing information  
 1903 determined necessary to understand the transaction and identify  
 1904 all purchasers and owners involved;

1905 (b) The person or affiliated person has filed with the  
 1906 office a statement as specified in subsection (3). The statement  
 1907 must be completed and filed within 30 days after:

- 1908 1. Any definitive acquisition agreement is entered;
- 1909 2. Any form of tender offer or exchange offer is proposed;

1910 or

- 1911 3. The acquisition of the securities, if no definitive
- 1912 acquisition agreement, tender offer, or exchange offer is
- 1913 involved; and

1914 (c) The office has approved the tender or exchange offer,

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1915 or acquisition if no tender offer or exchange offer is involved,  
 1916 and approval is in effect.

1917  
 1918 ~~In lieu of a filing as required under this subsection, a party~~  
 1919 ~~acquiring less than 10 percent of the outstanding voting~~  
 1920 ~~securities of an insurer may file a disclaimer of affiliation~~  
 1921 ~~and control. The disclaimer shall fully disclose all material~~  
 1922 ~~relationships and basis for affiliation between the person and~~  
 1923 ~~the insurer as well as the basis for disclaiming the affiliation~~  
 1924 ~~and control. After a disclaimer has been filed, the insurer~~  
 1925 ~~shall be relieved of any duty to register or report under this~~  
 1926 ~~section which may arise out of the insurer's relationship with~~  
 1927 ~~the person unless and until the office disallows the disclaimer.~~  
 1928 ~~The office shall disallow a disclaimer only after furnishing all~~  
 1929 ~~parties in interest with notice and opportunity to be heard and~~  
 1930 ~~after making specific findings of fact to support the~~  
 1931 ~~disallowance. A filing as required under this subsection must be~~  
 1932 ~~made as to any acquisition that equals or exceeds 10 percent of~~  
 1933 ~~the outstanding voting securities.~~

1934 (3) The statement to be filed with the office under  
 1935 subsection (1) and furnished to the insurer and controlling  
 1936 company ~~must shall~~ contain the following information and any  
 1937 additional information ~~as~~ the office deems necessary to  
 1938 determine the character, experience, ability, and other  
 1939 qualifications of the person or affiliated person of such person  
 1940 for the protection of the policyholders and shareholders of the  
 1941 insurer and the public:

1942 (a) The identity of, and the background information  
 1943 specified in subsection (4) on, each natural person by whom, or

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1944 on whose behalf, the acquisition is to be made; and, if the  
 1945 acquisition is to be made by, or on behalf of, a corporation,  
 1946 association, or trust, as to the corporation, association, or  
 1947 trust and as to any person who ~~controls either~~ directly or  
 1948 indirectly controls the corporation, association, or trust, the  
 1949 identity of, and the background information specified in  
 1950 subsection (4) on, each director, officer, trustee, or other  
 1951 natural person performing duties similar to those of a director,  
 1952 officer, or trustee for the corporation, association, or trust;

1953 (b) The source and amount of the funds or other  
 1954 consideration used, or to be used, in making the acquisition;

1955 (c) Any plans or proposals that ~~which~~ such persons may have  
 1956 made to liquidate such insurer, to sell any of its assets or  
 1957 merge or consolidate it with any person, or to make any other  
 1958 major change in its business or corporate structure or  
 1959 management; and any plans or proposals that ~~which~~ such persons  
 1960 may have made to liquidate any controlling company of such  
 1961 insurer, to sell any of its assets or merge or consolidate it  
 1962 with any person, or to make any other major change in its  
 1963 business or corporate structure or management;

1964 (d) The number of shares or other securities which the  
 1965 person or affiliated person of such person proposes to acquire,  
 1966 the terms of the proposed acquisition, and the manner in which  
 1967 the securities are to be acquired; and

1968 (e) Information as to any contract, arrangement, or  
 1969 understanding with any party with respect to any of the  
 1970 securities of the insurer or controlling company, including, but  
 1971 not limited to, information relating to the transfer of any of  
 1972 the securities, option arrangements, puts or calls, or the

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1973 giving or withholding of proxies, which information names the  
 1974 party with whom the contract, arrangement, or understanding has  
 1975 been entered into and gives the details thereof.

1976 (10) Upon notification to the office by the domestic stock  
 1977 insurer or a controlling company that any person or any  
 1978 affiliated person of such person has acquired 10 ~~5~~ percent or  
 1979 more of the outstanding voting securities of the domestic stock  
 1980 insurer or controlling company without complying with ~~the~~  
 1981 ~~provisions of~~ this section, the office shall order that the  
 1982 person and any affiliated person of such person cease  
 1983 acquisition of any further securities of the domestic stock  
 1984 insurer or controlling company; however, the person or any  
 1985 affiliated person of such person may request a proceeding, which  
 1986 ~~proceeding~~ shall be convened within 7 days after the rendering  
 1987 of the order for the sole purpose of determining whether the  
 1988 person, individually or in connection with an ~~any~~ affiliated  
 1989 person of such person, has acquired 10 ~~5~~ percent or more of the  
 1990 outstanding voting securities of a domestic stock insurer or  
 1991 controlling company. Upon the failure of the person or  
 1992 affiliated person to request a hearing within 7 days, or upon a  
 1993 determination at a hearing convened pursuant to this subsection  
 1994 that the person or affiliated person has acquired voting  
 1995 securities of a domestic stock insurer or controlling company in  
 1996 violation of this section, the office may order the person and  
 1997 affiliated person to divest themselves of any voting securities  
 1998 so acquired.

1999 (12) ~~(a)~~ A presumption of control may be rebutted by filing  
 2000 a disclaimer of control. A person may file a disclaimer of  
 2001 control with the office. The disclaimer must fully disclose all

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2002 material relationships and bases for affiliation between the  
 2003 person and the insurer as well as the basis for disclaiming the  
 2004 affiliation. The disclaimer of control shall be filed on a form  
 2005 prescribed by the office, or a person or acquiring party may  
 2006 file with the office a copy of a Schedule 13G on file with the  
 2007 Securities and Exchange Commission pursuant to Rule 13d-1(b) or  
 2008 Rule 13d-1(c) under the Securities Exchange Act of 1934, as  
 2009 amended. After a disclaimer is filed, the insurer is relieved of  
 2010 any duty to register or report under this section which may  
 2011 arise out of the insurer's relationship with the person, unless  
 2012 the office disallows the disclaimer. For the purpose of this  
 2013 section, the term "affiliated person" of another person means:  
 2014 1. The spouse of such other person;  
 2015 2. The parents of such other person and their lineal  
 2016 descendants and the parents of such other person's spouse and  
 2017 their lineal descendants;  
 2018 3. Any person who directly or indirectly owns or controls,  
 2019 or holds with power to vote, 5 percent or more of the  
 2020 outstanding voting securities of such other person;  
 2021 4. Any person 5 percent or more of the outstanding voting  
 2022 securities of which are directly or indirectly owned or  
 2023 controlled, or held with power to vote, by such other person;  
 2024 5. Any person or group of persons who directly or  
 2025 indirectly control, are controlled by, or are under common  
 2026 control with such other person;  
 2027 6. Any officer, director, partner, copartner, or employee  
 2028 of such other person;  
 2029 7. If such other person is an investment company, any  
 2030 investment adviser of such company or any member of an advisory

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2031 ~~board of such company;~~

2032 ~~8. If such other person is an unincorporated investment~~  
 2033 ~~company not having a board of directors, the depositor of such~~  
 2034 ~~company; or~~

2035 ~~9. Any person who has entered into an agreement, written or~~  
 2036 ~~unwritten, to act in concert with such other person in acquiring~~  
 2037 ~~or limiting the disposition of securities of a domestic stock~~  
 2038 ~~insurer or controlling company.~~

2039 ~~(b) For the purposes of this section, the term "controlling~~  
 2040 ~~company" means any corporation, trust, or association owning,~~  
 2041 ~~directly or indirectly, 25 percent or more of the voting~~  
 2042 ~~securities of one or more domestic stock insurance companies.~~

2043 Section 50. Subsection (11) of section 631.717, Florida  
 2044 Statutes, is amended to read:

2045 631.717 Powers and duties of the association.—

2046 (11) The association is ~~shall~~ not be liable for any civil  
 2047 action under s. 624.155 arising from any acts alleged to have  
 2048 been committed by a member insurer before ~~prior~~ to its  
 2049 liquidation. ~~This subsection does not affect the association's~~  
 2050 ~~obligation to pay valid insurance policy or contract claims if~~  
 2051 ~~warranted after its independent de novo review of the policies,~~  
 2052 ~~contracts, and claims presented to it, whether domestic or~~  
 2053 ~~foreign, after a Florida domestic rehabilitation or a~~  
 2054 ~~liquidation.~~

2055 Section 51. Section 631.737, Florida Statutes, is amended  
 2056 to read:

2057 631.737 Rescission and review generally.—The association  
 2058 shall review claims and matters regarding covered policies based  
 2059 upon the record available to it on and after the date of

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2060 liquidation. Notwithstanding any other provision of this part,  
 2061 in order to allow for orderly claims administration by the  
 2062 association, entry of a liquidation order by a court of  
 2063 competent jurisdiction ~~tolls shall be deemed to toll~~ for 1 year  
 2064 any rescission or noncontestable period allowed by the contract,  
 2065 the policy, or by law. The association's obligation is to pay  
 2066 any valid insurance policy or contract claims, if warranted,  
 2067 after its independent de novo review of the policies, contracts,  
 2068 and claims presented to it, whether domestic or foreign, after a  
 2069 rehabilitation or a liquidation.

2070 Section 52. Subsections (6) and (7) of section 634.406,  
 2071 Florida Statutes, are amended to read:

2072 634.406 Financial requirements.—

2073 (6) An association that ~~which~~ holds a license under this  
 2074 part and which does not hold any other license under this  
 2075 chapter may allow its premiums for service warranties written  
 2076 under this part to exceed the ratio to net assets limitations of  
 2077 this section if the association meets all of the following  
 2078 conditions:

2079 (a) Maintains net assets of at least \$750,000.

2080 (b) Uses ~~Utilizes~~ a contractual liability insurance policy  
 2081 approved by the office that; ~~which~~

2082 1. Reimburses the service warranty association for 100  
 2083 percent of its claims liability and is issued by an insurer that  
 2084 maintains a policyholder surplus of at least \$100 million; or

2085 2. Complies with subsection (3) and is issued by an insurer  
 2086 that maintains a policyholder surplus of at least \$200 million.

2087 (c) The insurer issuing the contractual liability insurance  
 2088 policy:

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2089 1. Maintains a policyholder surplus of at least \$100  
 2090 million.

2091 ~~1.2.~~ Is rated "A" or higher by A.M. Best Company or an  
 2092 equivalent rating by another national rating service acceptable  
 2093 to the office.

2094 ~~3. Is in no way affiliated with the warranty association.~~

2095 ~~2.4.~~ In conjunction with the warranty association's filing  
 2096 of the quarterly and annual reports, provides, on a form  
 2097 prescribed by the commission, a statement certifying the gross  
 2098 written premiums in force reported by the warranty association  
 2099 and a statement that all of the warranty association's gross  
 2100 written premium in force is covered under the contractual  
 2101 liability policy, regardless of whether ~~or not~~ it has been  
 2102 reported.

2103 (7) A contractual liability policy must insure 100 percent  
 2104 of an association's claims exposure under all of the  
 2105 association's service warranty contracts, wherever written,  
 2106 unless all of the following are satisfied:

2107 (a) The contractual liability policy contains a clause that  
 2108 specifically names the service warranty contract holders as sole  
 2109 beneficiaries of the contractual liability policy and claims are  
 2110 paid directly to the person making a claim under the contract;

2111 (b) The contractual liability policy meets all other  
 2112 requirements of this part, including subsection (3) of this  
 2113 section, which are not inconsistent with this subsection;

2114 (c) The association has been in existence for at least 5  
 2115 years or the association is a wholly owned subsidiary of a  
 2116 corporation that has been in existence and has been licensed as  
 2117 a service warranty association in the state for at least 5

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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2118 years, and:

2119 1. Is listed and traded on a recognized stock exchange, is  
 2120 listed in NASDAQ (National Association of Security Dealers  
 2121 Automated Quotation system) and publicly traded in the over-the-  
 2122 counter securities market, is required to file either of Form  
 2123 10-K, Form 100, or Form 20-C with the United States Securities  
 2124 and Exchange Commission, or has American Depository Receipts  
 2125 listed on a recognized stock exchange and publicly traded or is  
 2126 the wholly owned subsidiary of a corporation that is listed and  
 2127 traded on a recognized stock exchange, is listed in NASDAQ  
 2128 (National Association of Security Dealers Automated Quotation  
 2129 system) and publicly traded in the over the counter securities  
 2130 market, is required to file Form 10 K, Form 100, or Form 20 G  
 2131 with the United States Securities and Exchange Commission, or  
 2132 has American Depository Receipts listed on a recognized stock  
 2133 exchange and is publicly traded;

2134 2. Maintains outstanding debt obligations, if any, rated in  
 2135 the top four rating categories by a recognized rating service;

2136 3. Has and maintains at all times a minimum net worth of  
 2137 not less than \$10 million as evidenced by audited financial  
 2138 statements prepared by an independent certified public  
 2139 accountant in accordance with generally accepted accounting  
 2140 principles and submitted to the office annually; and

2141 4. Is authorized to do business in this state; and

2142 (d) The insurer issuing the contractual liability policy:

2143 1. Maintains and has maintained for the preceding 5 years,  
 2144 policyholder surplus of at least \$100 million and is rated "A"  
 2145 or higher by A.M. Best Company or has an equivalent rating by  
 2146 another rating company acceptable to the office;

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CODING: Words ~~stricken~~ are deletions; words underlined are additions.



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2147 ~~2. Holds a certificate of authority to do business in this~~  
2148 ~~state and is approved to write this type of coverage; and~~  
2149 ~~3. Acknowledges to the office quarterly that it insures all~~  
2150 ~~of the association's claims exposure under contracts delivered~~  
2151 ~~in this state.~~  
2152  
2153 ~~If all the preceding conditions are satisfied, then the scope of~~  
2154 ~~coverage under a contractual liability policy shall not be~~  
2155 ~~required to exceed an association's claims exposure under~~  
2156 ~~service warranty contracts delivered in this state.~~  
2157 Section 53. Except as otherwise expressly provided in this  
2158 act, this act shall take effect July 1, 2014.

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4-9-14

Meeting Date

Topic Insurance

Bill Number 1260  
*(if applicable)*

Name MONTY STEVENS

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title DEPUTY Chief of Staff

Address 200 E. GAINES ST

Phone 413-5005

Street

TALLY

FL

32301

City

State

Zip

E-mail monty.stevens@flair.com

Speaking:  For  Against  Information

Representing DIR

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.*

**This form is part of the public record for this meeting.**

S-001 (10/20/11)

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/14

Meeting Date

Topic \_\_\_\_\_

Bill Number 1260  
(if applicable)

Name Mark Medawar

Amendment Barcode 582796  
(if applicable)

Job Title Director Gov. Affairs

Address 99 Jericho Turnpike Suite 203

Phone 631-255-5375

Street

Jericho

NY

11753

City

State

Zip

E-mail MARK.MEDAWAR@MOBILEYE.COM

Speaking:  For  Against  Information

Representing \_\_\_\_\_

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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S-001 (10/20/11)

THE FLORIDA SENATE

APPEARANCE RECORD

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4.9.14

Meeting Date

Topic Prostatectomy Rate

Bill Number 1260  
(if applicable)

Name Ashley Mayer

Amendment Barcode 360680  
(if applicable)

Job Title lobbyist

Address 101 E. Gully Ave

Phone 222.9075

Tallahassee FL  
Street City State Zip

E-mail amayer@capitollobby.com

Speaking:  For  Against  Information

Representing American Insurance Assoc

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE  
**APPEARANCE RECORD**

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4/9

Meeting Date

Topic \_\_\_\_\_

Bill Number SB 1260  
(if applicable)

Name Gerald Wester

Amendment Barcode 560680  
(if applicable)

Job Title \_\_\_\_\_

Address 101 E College A Suite 502  
Street

Phone 8504457256

City

State

Zip

E-mail \_\_\_\_\_

Speaking:  For  Against  Information

Representing Zwick Insurance Company

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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S-001 (10/20/11)

THE FLORIDA SENATE  
**APPEARANCE RECORD**

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4/9/14  
Meeting Date

Topic \_\_\_\_\_

Bill Number 1260

Name Chris Carmody

Amendment Barcode 670382  
(if applicable)

Job Title Attorney

SA for 589854  
(if applicable)

Address 301 W. Pine St., Suite 1400

Phone 407-843-8880

Street  
Orlando FL 32801  
City State Zip

E-mail Chris.Carmody@gray-robinson.com

Speaking:  For  Against  Information

Representing Non Profit Insurance Services

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE  
**APPEARANCE RECORD**

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4/9/14  
Meeting Date

Topic SELF-INSURANCE FUNDS

Bill Number CS/SB 1260  
(if applicable)

Name LARRY WILLIAMS

Amendment Barcode 670382  
(if applicable)

Job Title ATTORNEY

Address 215 SOUTH MONROE ST ; SUITE 601  
Street

Phone (850) 521-1980

TALLAHASSEE FL 32301  
City State Zip

E-mail LWILLIAMS@G425TEX.COM

Speaking:  For  Against  Information

Representing FLORIDA GOODWILL ASSOCIATION

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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4/9/14  
Meeting Date

Topic \_\_\_\_\_

Bill Number SB 1260  
*(if applicable)*

Name Logan McFaddin

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title Director, Legislative Affairs

Address 400 N Monroe St

Phone 913-2683

Tallahassee FL 32399  
City State Zip

E-mail Logan.McFaddin@myfloridaleg.com

Speaking:  For  Against  Information

Representing CFO'S office

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/14

Meeting Date

Topic Insurance

Bill Number SB 1260  
*(if applicable)*

Name Laura Pearce

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title General Counsel

Address \_\_\_\_\_

Phone \_\_\_\_\_

Street

E-mail lpearce@faia.com

City

State

Zip

Speaking:  For  Against  Information

Representing Florida Association of Insurance Agents

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

*While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.*

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THE FLORIDA SENATE

APPEARANCE RECORD

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4/9/2014  
Meeting Date

Topic OmniBus Bill

Bill Number 1260  
*(if applicable)*

Name Mark Delegal

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title \_\_\_\_\_

Address 315 S. Calhoun #600

Phone \_\_\_\_\_

Tall FL 32301  
City State Zip

E-mail \_\_\_\_\_

Speaking:  For  Against  Information

Representing State Farm Mutual Automobile Ins. Co.

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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THE FLORIDA SENATE  
**APPEARANCE RECORD**

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4/9/14  
Meeting Date

Topic \_\_\_\_\_

Bill Number 1260  
*(if applicable)*

Name DONOVAN BROWN

Amendment Barcode \_\_\_\_\_  
*(if applicable)*

Job Title \_\_\_\_\_

Address 215 S. MONROE ST

Phone \_\_\_\_\_

*Street*

TALLAHASSEE FL 32301

*City*

*State*

*Zip*

E-mail gdonovan.brown@pciaa.net

Speaking:  For  Against  Information

Representing PROPERTY CASUALTY INSURERS ASSOCIATION OF AMERICA

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

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S-001 (10/20/11)

THE FLORIDA SENATE  
**APPEARANCE RECORD**

(Deliver BOTH copies of this form to the Senator or Senate Professional Staff conducting the meeting)

4/9/14  
Meeting Date

Public Servant F.S. 938.014  
Covered Falsified Public Record F.S. 939.13 (2)(A)

Topic Abolish Florida Statutes with Moral Turpitude Bill Number Not Assigned  
(if applicable)

Name Rick Lussy Amendment Barcode \_\_\_\_\_  
(if applicable)

Job Title Property Appraiser

Address 2165 Greenbank Circle Suite #5-303 Phone 239-263-5413

Naples FL 34112  
City State Zip

E-mail ricklussy@ydcw.com

Speaking:  For  Against  Information

Representing Self to Enforce Existing Law

Appearing at request of Chair:  Yes  No

Lobbyist registered with Legislature:  Yes  No

While it is a Senate tradition to encourage public testimony, time may not permit all persons wishing to speak to be heard at this meeting. Those who do speak may be asked to limit their remarks so that as many persons as possible can be heard.

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S-001 (10/20/11)



The Florida Senate

## Committee Agenda Request

**To:** Senator Alan Hays, Chair  
Appropriations Subcommittee on General Government

**Subject:** Committee Agenda Request

**Date:** March 21, 2014

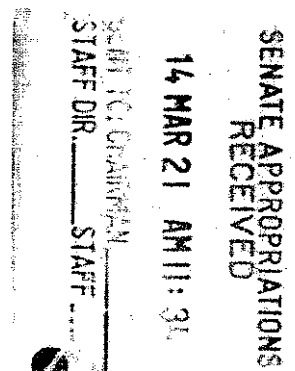
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I respectfully request that **Senate Bill #1260**, relating to Insurance, be placed on the:

- committee agenda at your earliest possible convenience.
- next committee agenda.

---

Senator Jeff Brandes  
Florida Senate, District 22



# CourtSmart Tag Report

Room: EL 110 Case: Senate Appropriations Subcommittee on General Government

Type:  
Judge:

Started: 4/9/2014 1:05:38 PM  
Ends: 4/9/2014 2:04:47 PM Length: 00:59:10

1:05:40 PM	Sen. Hays (Chair)
1:07:26 PM	TAB 1- SB 1260, Insurance
1:07:32 PM	Sen. Brandes
1:12:33 PM	Sen. Hays
1:13:00 PM	Sen. Joyner
1:13:19 PM	Sen. Brandes
1:13:44 PM	Sen. Detert
1:13:55 PM	Sen. Brandes
1:14:06 PM	Sen. Detert
1:14:28 PM	Sen. Brandes
1:15:27 PM	Sen. Detert
1:15:41 PM	Sen. Brandes
1:15:49 PM	Sen. Detert
1:15:53 PM	Sen. Brandes
1:16:05 PM	Sen. Hays
1:16:07 PM	Am. 500632
1:16:15 PM	Sen. Brandes
1:16:28 PM	Sen. Hays
1:16:37 PM	Am. 582796
1:16:45 PM	Sen. Brandes
1:16:58 PM	Sen. Hays
1:17:06 PM	Sen. Latvala
1:17:23 PM	Sen. Brandes
1:17:44 PM	Sen. Latvala
1:18:03 PM	Sen. Brandes
1:18:09 PM	Sen. Joyner
1:18:51 PM	Sen. Brandes
1:19:10 PM	Sen. Joyner
1:19:40 PM	Sen. Hays
1:19:47 PM	Sen. Joyner
1:20:01 PM	Sen. Soto
1:20:14 PM	Sen. Brandes
1:20:21 PM	Sen. Soto
1:20:36 PM	Monty Stevens, Deputy Chief of Staff, Office of Insurance Regulation
1:21:12 PM	Sen. Soto
1:21:27 PM	M. Stevens
1:21:33 PM	Mark Medawar, Director of Government Affairs (waives in support)
1:21:56 PM	Am. 560680
1:22:03 PM	Sen. Brandes
1:22:50 PM	Sen. Hays
1:22:56 PM	Sen. Thompson
1:23:22 PM	Sen. Brandes
1:23:44 PM	Sen. Detert
1:23:57 PM	Sen. Brandes
1:24:12 PM	Sen. Detert
1:24:16 PM	Sen. Brandes
1:24:24 PM	Sen. Latvala
1:25:04 PM	Sen. Brandes
1:25:08 PM	Sen. Hays
1:25:15 PM	Ashley Mayer, Lobbyist, American Insurance Association (waives in support)
1:25:21 PM	Gerald Wester, Zurich Insurance Company (waives in support)
1:25:35 PM	Am. 955004

1:25:49 PM Sen. Brandes  
1:26:02 PM Sen. Thompson  
1:26:06 PM Am. 589854  
1:26:14 PM Sen. Hays  
1:26:41 PM Sen. Thompson (Vice Chair)  
1:26:51 PM Am. 670382  
1:27:02 PM Sen. Latvala  
1:27:42 PM Sen. Hays  
1:28:03 PM Chris Carmody, Attorney, Non Profit Insurance Services  
1:28:39 PM M. Stevens  
1:28:46 PM Sen. Latvala  
1:29:06 PM M. Stevens  
1:29:14 PM Sen. Latvala  
1:29:30 PM M. Stevens  
1:30:06 PM Sen. Latvala  
1:30:10 PM M. Stevens  
1:30:21 PM Sen. Latvala  
1:30:35 PM M. Stevens  
1:30:55 PM Sen. Latvala  
1:30:59 PM M. Stevens  
1:31:13 PM Sen. Soto  
1:31:34 PM M. Stevens  
1:32:03 PM Sen. Soto  
1:32:06 PM M. Stevens  
1:32:25 PM Sen. Joyner  
1:32:42 PM M. Stevens  
1:33:22 PM Sen. Joyner  
1:33:46 PM M. Stevens  
1:34:28 PM Sen. Latvala  
1:35:42 PM M. Stevens  
1:36:36 PM Sen. Latvala  
1:36:47 PM Sen. Brandes  
1:37:01 PM Sen. Latvala  
1:37:18 PM Sen. Hays  
1:37:41 PM Sen. Latvala  
1:38:01 PM Sen. Hays  
1:38:48 PM Sen. Latvala  
1:39:26 PM Sen. Hays  
1:39:38 PM Sen. Joyner  
1:41:18 PM Sen. Detert  
1:42:08 PM Sen. Hays  
1:42:40 PM C. Carmody  
1:44:09 PM Sen. Detert  
1:44:38 PM C. Carmody  
1:44:55 PM Larry Williams, Attorney, Florida Goodwill Association  
1:45:51 PM Sen. Thompson  
1:46:03 PM C. Carmody  
1:46:42 PM Logan McFadden, Director, Legislative Affairs, Chief Financial Officer's Office (waives in support)  
1:46:50 PM Laura Pearce, General Counsel, Florida Association of Insurance Agents (waives in support)  
1:46:56 PM Mark Delegal, State Farm Mutual Automobile Insurance  
1:47:13 PM Donovan Brown, Property Casualty Insurers Association of America (waives in support)  
1:47:18 PM Rick Lussy, Property Appraiser (waives in support)  
1:47:44 PM Sen. Joyner  
1:49:07 PM Sen. Brandes  
1:49:49 PM Sen. Joyner  
1:51:51 PM Sen. Brandes  
1:52:57 PM Sen. Joyner  
1:53:23 PM Sen. Brandes  
1:53:32 PM M. Delegal  
1:58:25 PM Sen. Joyner  
1:58:37 PM M. Delegal  
1:59:37 PM Sen. Joyner

<b>2:00:01 PM</b>	M. Stevens
<b>2:00:22 PM</b>	Sen. Braynon
<b>2:00:49 PM</b>	M. Stevens
<b>2:01:16 PM</b>	Sen. Hays
<b>2:01:23 PM</b>	Sen. Joyner
<b>2:01:47 PM</b>	Sen. Brandes
<b>2:02:20 PM</b>	Sen. Joyner
<b>2:02:31 PM</b>	Sen. Brandes
<b>2:02:36 PM</b>	Sen. Joyner
<b>2:02:53 PM</b>	Sen. Brandes
<b>2:02:58 PM</b>	Sen. Hays
<b>2:03:50 PM</b>	Sen. Joyner
<b>2:03:57 PM</b>	Sen. Hays