

## Committee on Banking and Insurance

### **CS/CS/CS/HB 165 — Property and Casualty Insurance**

by Regulatory Affairs Committee; Government Operations Appropriations Subcommittee; Insurance and Banking Subcommittee; and Rep. Santiago (CS/CS/SB 258 by Appropriations Committee; Banking and Insurance Committee; and Senator Brandes)

The bill makes the following changes to statutes relating to property and casualty insurance:

- Limits the requirement that the chief executive officer or chief financial officer and the chief actuary of a property insurer must certify a rate filing to full property insurance rate filings. Most commercial nonresidential property insurers are not statutorily required to make full rate filings, and thus will no longer have to complete certifications.
- Current law requires the Office of Insurance Regulation (OIR) to consider projected hurricane losses using a model or method found reliable by the Florida Commission on Hurricane Loss Methodology when reviewing a rate filing. This bill increases from 60 days to 120 days the time an insurer is not required to use the newest version of an approved hurricane model.
- Clarifies that commercial property insurance and commercial casualty insurance, other than commercial residential multiperil insurance, is exempt from the requirement to make an annual base rate filing with the OIR.
- Establishes a uniform 120-day advance written notice of nonrenewal, cancellation, or termination for personal and commercial lines residential property insurance policies.
- Clarifies that an insurer has to notify a policyholder of the availability of neutral evaluation of a sinkhole claim only if there is coverage available under the policy and the claim was submitted within the statutory timeframe.
- Amends a provision in the personal injury protection statute to resolve an ambiguity relating to the applicability of medical fee schedules.
- Creates exemptions to the preinsurance inspection requirements for private passenger automobiles.
- Repeals a prohibition against using the existence of the Florida Insurance Guaranty Association (FIGA) for the purpose of sales, solicitation, or inducement to purchase insurance. Such solicitations are required to explain the coverage limits of FIGA which apply to the type of insurance described in the advertisement or solicitation.

The bill has no fiscal impact.

If approved by the Governor, these provisions take effect July 1, 2015.

*Vote: Senate 38-1; House 117-0*

## Committee on Banking and Insurance

### **CS/HB 189 — Insurance Guaranty Associations**

by Finance and Tax Committee and Rep. Cummings (CS/CS/SB 600 by Commerce and Tourism Committee; Banking and Insurance Committee; and Senator Richter)

The bill clarifies the statutory accounting treatment of assessments levied by the Florida Insurance Guaranty Association (FIGA) and codifies the Office of Insurance Regulation's interpretation for such treatment. The FIGA provides a mechanism for payment of covered claims of an insolvent property and casualty insurer, and may levy regular assessments and emergency assessments to raise funds to pay the claims. An insurer may recoup such assessments from policyholders. The bill provides that such assessments are generally admissible assets for purposes of determining the financial condition of an insurer.

The bill also clarifies that the Florida Life and Health Insurance Guaranty Association must review policies, contracts, and claims of both foreign and domestic insurer-members.

If approved by the Governor, these provisions take effect July 1, 2015.

*Vote: Senate 38-0; House 117-0*

## Committee on Banking and Insurance

### **CS/CS/CS/SB 252 — Insurance**

by Rules Committee; Judiciary Committee; Banking and Insurance Committee; and Senator Smith

The bill provides that the absence of a countersignature does not affect the validity of a property, casualty, or surety insurance policy or contract. This could reduce the risk that an insured loses coverage due to events the insured cannot control. Current law provides that no property, casualty, or surety insurer shall assume direct liability unless the policy or contract of insurance is countersigned by a licensed agent.

The bill amends the definition of financial guaranty insurance to provide that financial guaranty insurance does not include guarantees of higher education loans unless they are written by a financial guaranty insurance corporation.

The bill allows a foreign or alien insurer applying for a certificate of authority to submit a copy of the report of the most recent examination that is up to 5 years old as of the date of the insurer's application.

The bill changes the due date for certain annual and biennial reports to the President of the Senate and Speaker of the House of Representatives from January 1 to January 15.

If approved by the Governor, these provisions take effect July 1, 2015.

*Vote: Senate 39-0; House 114-0*

## Committee on Banking and Insurance

### **CS/HB 273 — Insurer Notifications**

by Insurance and Banking Subcommittee and Rep. Perry (CS/CS/SB 202 by Commerce and Tourism Committee; Banking and Insurance Committee; and Senator Bradley)

The bill allows a personal lines insurance policy to be electronically delivered to a policyholder who elects electronic delivery in lieu of delivery by U.S. Mail.

The bill allows a Notice of Change in Policy Terms to be sent separately from the Notice of Renewal Premium. Insurers must also provide a sample copy of the Notice of Change in Policy Terms to the insured's insurance agent before, or at the same time, the notice is provided to the insured. The bill prohibits the use of the Notice of Change in Policy Terms to add optional coverage if it increases the premium, unless the policyholder affirmatively approves of the addition of the optional coverage.

If approved by the Governor, these provisions take effect July 1, 2015.

*Vote: Senate 36-0; House 117-0*

## Committee on Banking and Insurance

### **CS/CS/CS/HB 275 — Intrastate Crowdfunding**

by Regulatory Affairs Committee; Government Operations Appropriations Subcommittee; Insurance and Banking Subcommittee; Rep. Santiago and others (CS/CS/SB 914 by Appropriations Committee; Banking and Insurance Committee; and Senator Richter)

The bill authorizes intrastate crowdfunding as a mechanism for small businesses to raise up to \$1 million annually in crowdfunding securities. Issuers and intermediaries engaging in intrastate crowdfunding would be subject to specified requirements under the Florida Securities and Investor Protection Act, which is administered by the Office of Financial Regulation (OFR). The bill creates an intrastate exemption for securities meeting certain state and federal requirements. The issuer, intermediary, investor, and transaction must be located in Florida in accordance with the federal intrastate exemption. Like the federal Jumpstart Our Business Startups Act (JOBS Act), the bill exempts an issuer and the offering for a 12-month period for an offering of up to \$1 million of securities, requires registration for the intermediary, and mirrors the federal law's investment limitations for investors. The bill requires issuer notice filings and intermediary registration with the OFR, disclosures to investors, an escrow agreement for investor funds, a right of rescission, and financial reporting to investors and to the OFR. The bill also gives authority to the Financial Services Commission to adopt rules relating to notice-filings and registration forms, books and records, and investor protections.

The bill provides an appropriation of \$120,000 from the Regulatory Trust Fund within the OFR for information technology and workload issues associated with implementation.

If approved by the Governor, these provisions take effect October 1, 2015.

*Vote: Senate 40-0; House 117-0*

## Committee on Banking and Insurance

### **SB 520 — Long-Term Care Insurance**

by Senator Grimsley

The bill allows an insurer to offer a nonforfeiture protection provision in a long-term care insurance policy that provides for the return of premium if the insured dies or the policy is completely surrendered or canceled. The bill is not expected to have a fiscal impact on the state.

If approved by the Governor, these provisions take effect July 1, 2015.

*Vote: Senate 116-0; House 37-0*

## Committee on Banking and Insurance

### **CS/SB 642 — Individuals with Disabilities**

by Banking and Insurance Committee and Senators Benacquisto and Sobel

The bill creates the Florida Achieving a Better Life Experience (ABLE) program, which would assist individuals with disabilities in saving money without losing their eligibility for state and federal benefits, and thereby providing a pathway for economic independence and a better quality of life. The ABLE accounts resemble in some respects the federal 529-college savings plan that are tax-advantaged savings accounts. The federal ABLE Act of 2014 (“ABLE Act”), authorizes states to establish ABLE programs as an agency or instrumentality of the state or contract with other states to administer such accounts if certain conditions are met.

The bill directs the Florida Prepaid College Board (Prepaid Board) to create Florida ABLE, Inc., as a direct support organization that must be organized as a not-for-profit corporation. The board of directors of Florida ABLE, Inc., must include the Chair of the Prepaid Board, one member appointed by the Prepaid Board (who may be a member of the Prepaid Board) and one member appointed by the Governor, both of whom have experience in accounting, risk management, or investment management, one appointee of the President of the Florida Senate, and one appointee of the Speaker of the Florida House of Representatives. The legislative appointees would include one advocate for individuals with disabilities and one advocate for individuals with developmental disabilities. The bill provides that the Florida ABLE, Inc., would operate under a contract with the Prepaid Board. Florida ABLE, Inc., is required to implement the Florida ABLE Program on or before July 1, 2016.

The bill provides that the state Medicaid agency, the Agency for Health Care Administration, would be a creditor of ABLE accounts. Upon the death of designated beneficiary of an account, and subject to any outstanding payments due for qualified disability expenses, all amounts remaining in the account, not to exceed the total medical assistance paid by or on behalf of Medicaid for such individuals after the account was opened, would be distributed to a state Medicaid program.

The bill provides a total appropriation of \$3,386,000 from the General Revenue Fund to the Department of Education for transfer to the Florida ABLE Program Trust Fund, for funding the costs for startup, staffing, market research, marketing, banking services, investment custodian and consultant services, records administration services, and general operations of Florida ABLE, Inc., for Fiscal Year 2014-2015.

If approved by the Governor, these provisions take effect upon becoming law.

*Vote: Senate 38-0; House 117-0*

## Committee on Banking and Insurance

### **CS/CS/SB 644 — Florida ABLE Program Trust Fund/State Board of Administration**

by Appropriations Committee; Banking and Insurance Committee; and Senator Benacquisto

The bill creates the Florida ABLE Program Trust Fund (trust fund) within the State Board of Administration (SBA). The trust fund will hold appropriations and moneys acquired from private sources or other governmental sources for the Florida ABLE program. The trust fund will also hold ABLE account moneys.

This bill has no fiscal impact.

If approved by the Governor, these provisions take effect upon becoming law, contingent upon CS/SB 642 or similar legislation becoming law.

*Vote: Senate 38-0; House 116-0*



## Committee on Banking and Insurance

### **CS/CS/SB 646 — Public Records/Information Held by the Florida Prepaid College Board, the Florida ABLE, Inc., and the Florida ABLE program**

by Appropriations Committee; Banking and Insurance Committee; and Senator Benacquisto

The bill creates a public records exemption for specified personal financial and health information of a consumer relating to an ABLE account or a participation agreement or any information that would identify a consumer held by the Florida Prepaid College Board, Florida ABLE Inc., the Florida ABLE program, or an agent or service provider of these entities. The bill defines a consumer as a party to a participation agreement under the Florida ABLE Program.

A related bill, CS/SB 642, requires the Florida Prepaid College Board to create Florida ABLE, Inc., as a direct support organization, to administer the Florida ABLE program. The Florida ABLE program, pursuant to federal law, allows individuals with disabilities to save money without losing their eligibility for state and federal benefits and use such funds for qualified disability expenses.

This bill has no fiscal impact.

If approved by the Governor, these provisions take effect upon becoming law on the same date that CS/SB 642 or similar legislation takes effect, if such legislation is adopted in the same legislative session or an extension thereof and becomes a law.

*Vote: Senate 38-0; House 114-0*

## Committee on Banking and Insurance

### **CS/HB 715 — Eligibility for Coverage by Citizens Property Insurance Corporation**

by Insurance and Banking Subcommittee; and Rep. Raschein (CS/SB 842 by Banking and Insurance Committee; and Senator Benacquisto)

The bill prohibits Citizens Property Insurance Corporation from issuing coverage to a major structure as defined in s. 161.54(6)(a), F.S., that is located within the Coastal Construction Control Line (CCCL) or Coastal Barrier Resources System (CBRS) if the permit to build or to increase the total square footage of the structure by more than 25 percent is applied for after July 1, 2015.

If approved by the Governor, these provisions take effect July 1, 2015.

*Vote: Senate 38-0; House 114-0*

## Committee on Banking and Insurance

### **CS/CS/HB 731 — Employee Health Care Plans**

by Insurance and Banking Subcommittee; Health Innovation Subcommittee; and Rep. Plakon (CS/SB 968 by Banking and Insurance Committee and Senator Detert)

The bill revises and streamlines provisions relating to the 1992 Employee Health Care Access Act (act) which was enacted to promote the availability of health insurance coverage for small employers (50 or fewer employees) regardless of their claims experience, on a guaranteed issue basis. Many provisions of this act are outdated or conflict with the federal Patient Protection and Affordable Care Act (PPACA). The bill also amends the stop loss insurance provisions for self-insured small employers and self-insured large employers. The bill removes the following requirements from the act:

- Mandated offer of standard, basic, and high deductible plans to small employers with specified benefits. The PPACA requires health plans to provide coverage for ten essential health benefits and other benefits, which are not included in the standard, basic, or high deductible plans;
- Annual August open enrollment period for one-person employer groups. The PPACA requires continuous open enrollment for small groups;
- Submission by insurers of an annual premium report to the Office of Insurance Regulation (OIR); and
- Submission by insurers of the semiannual rating report to the OIR.

There is no fiscal impact to state funds.

If approved by the Governor, these provisions take effect July 1, 2015.

*Vote: Senate 39-0; House 113-0*

## Committee on Banking and Insurance

### **CS/HB 749 — Continuing Care Communities**

by Insurance and Banking Subcommittee and Rep. Van Zant and others (CS/CS/SB 1126 by Fiscal Policy Committee; Banking and Insurance Committee; and Senators Altman and Margolis)

The bill revises laws governing continuing care retirement communities (CCRCs), which are facilities that provide shelter and nursing care or personal services to residents upon the payment of an entrance fee. The bill requires continuing care facilities to provide refunds of entrance fees within 90 days after the continuing care contract is terminated and the unit is vacated, instead of within 120 days of the notice to cancel under current law. The bill requires continuing care contracts to specify one of three sources of payment for refunds paid from the proceeds of subsequent entrance fees and prohibits refunds conditioned on receipt of the entrance fee for the same unit after October 1, 2016.

The bill requires continuing care retirement communities (CCRCs) to establish residents' councils, whose activities must be independent of the CCRC.

The bill specifies that continuing care and continuing care at-home contracts are preferred claims in the event of receivership or liquidation and are subordinate only to secured claims.

The bill revises disclosure requirements for third-party audits of the CCRC and notice requirements related to examination reports and any related corrective action plan.

There is no fiscal impact to the state.

If approved by the Governor, these provisions take effect October 1, 2015.

*Vote: Senate 39-0; House 113-0*

## Committee on Banking and Insurance

### **CS/CS/SB 806 — Regulation of Financial Institutions**

by Rules Committee; Banking and Insurance Committee; and Senator Richter

The bill makes the following changes to the regulation of financial institutions by the Office of Financial Regulation (OFR):

- Simplifies the process by which a financial institution can notify the OFR when re-designating its main or principal office.
- Specifies the methods for electronically transmitting semiannual assessments and the dates by which assessments must be received by the OFR.
- Deletes the requirement that the OFR select an appraiser to conduct certain real-estate appraisals.
- Provides that the production of books and records of a Florida office of an international banking corporation is not required in response to a subpoena issued in a matter governed by rules of civil procedure if such books and records are maintained outside of the United States and are not in the possession, control, or custody of the international banking corporation's office, agency, or branch established in Florida. This provision does not apply to a subpoena issued on behalf of a federal, state, or local government law enforcement agency, legislative body, or grand jury. Currently, such subpoena requests may relate to records not in the possession of the Florida office or may conflict with the privacy laws of the foreign country regulating the international banking corporation thereby subjecting the Florida office and its officers and employees to be in violation of such privacy laws.
- Specifies the date by which an international banking corporation must provide its annual certification of capital accounts to the OFR.

If approved by the Governor, these provisions take effect October 1, 2015.

*Vote: Senate 40-0; House 112-0*

## Committee on Banking and Insurance

### **CS/SB 836 — Florida Insurance Guaranty Association**

by Banking and Insurance Committee and Senator Latvala

The bill revises provisions governing the Florida Insurance Guaranty Association (FIGA), which provides a mechanism for the payment of covered claims, including unearned premiums, of insolvent property and casualty insurance companies. After an insolvency occurs, FIGA determines if an assessment is needed to pay claims, administrative costs, or bonds issued by FIGA and certifies the need for an assessment levy to the Office of Insurance Regulation (OIR). Then OIR reviews the certification, and if it is sufficient, issues an order to all insurance companies to pay their assessment to FIGA. Generally, insurers must pay regular assessments within 30 days of the levy, and emergency assessments can be paid in a single payment, or over 12 months, at the option of FIGA. For both types of assessments, once an insurance company pays the assessment to FIGA, it may begin to recoup the assessment from its policyholders at policy issuance or renewal. The bill provides the following changes:

- The bill creates a uniform assessment percentage to be collected from policyholders.
- The bill authorizes FIGA to use a monthly installment method for the collection of emergency or regular assessments from insurers in addition to the current pay and recoup method or a combination of both.
- The bill streamlines the reconciliation of collections and eliminates a regulatory filing with OIR.
- The bill codifies OIR's interpretation of an admissible asset for purposes of statutory accounting treatment of FIGA assessments.
- The bill exempts regular assessments from the insurance premium tax. Currently, emergency assessments are exempt from the insurance premium tax.

The bill will have an indeterminate negative impact on state revenues due to the tax exemption of FIGA regular assessments.

If approved by the Governor, these provisions take effect July 1, 2015.

*Vote: Senate 40-0; House 114-0*

## Committee on Banking and Insurance

### HB 887 — Unclaimed Property

by Rep. Trumbull (SB 1138 by Senator Brandes)

The bill creates a process under Florida's Uniform Unclaimed Property Act, whereby the Department of Financial Services (DFS) may commence a civil action for a determination that a U.S. savings bonds may escheat to the State of Florida. The bill specifies that a U.S. savings bond in the possession of the DFS or registered to a person with a last known address in the state is presumed abandoned and unclaimed 5 years after the bond reaches maturity and no longer earns interest. Once such U.S. savings bonds are abandoned and unclaimed, the DFS may file a civil action in a court of competent jurisdiction in Leon County, Florida for a determination that the bond escheats to the state. Prior to any escheat hearing, the DFS must undertake specific efforts to notify registered owners, co-owners, and beneficiaries of the escheat proceedings through notice of publication, as it must do when parties cannot be found through reasonable and customary due diligence efforts. If a person files a claim for a bond, and the court determines the claimant is entitled to the bond, judgment is entered for the claimant. If no person files a claim with the court for the bond, or the court determines the claimant is not entitled to the bond or its proceeds, the court is to enter a default judgment that the bond or its proceeds has escheated to the state.

If the DFS obtains title to these bonds, it places the DFS in the same position as the record owner of the bond, which is necessary to recover proceeds from the Treasury. Once the DFS obtains title to these bonds, it may petition the Treasury for redemption of these bonds in possession, and if necessary, to render a full accounting of the necessary information of absent bonds, which would identify the class of bonds registered with the last known address in Florida. If the proceeds from such bonds are received by the DFS, the bill requires the proceeds to be deposited in the same manner as other forms of unclaimed property in accordance with s. 717.123, F.S.

Once bonds escheat to the state, the owners, co-owners, and beneficiaries may recover a bond or the proceeds from a bond by making a claim to the DFS and providing sufficient proof of the validity of the claim.

If approved by the Governor, these provisions take effect July 1, 2015.

*Vote: Senate 37-0; House 117-0*

## Committee on Banking and Insurance

### **CS/CS/HB 893 — Blanket Health Insurance Eligibility**

by Health and Human Services Committee; Health Innovation Subcommittee; and Rep. Ingoglia (CS/CS/SB 1134 by Fiscal Policy Committee; Banking and Insurance Committee; and Senator Hays)

The bill expands the types of individuals and entities that are eligible for blanket health insurance coverage. Blanket health insurance policies and contracts are issued to a policyholder, such as a school, business, or an organization, and provide coverage to a group of individuals or participants who share a common activity or operation of the policyholder. The coverage is for persons participating in specific activities and coverage begins and ends with the covered activity.

There is no fiscal impact to the state.

If approved by the Governor, these provisions take effect July 1, 2015.

*Vote: Senate 39-0; House 116-0*



## Committee on Banking and Insurance

### CS/HB 927 — Title Insurance

by Insurance and Banking Subcommittee and Rep. Hager (CS/SB 1136 by Banking and Insurance Committee and Senator Hukill)

The bill revises procedures for dealing with insolvent title insurers. There is no guaranty fund for title insurers in Florida. If funds are necessary to pay the claims against insolvent of title insurers, all title insurers doing business in Florida are liable for an assessment to pay those claims. The Department of Financial Services (DFS) acting as receiver, and the Office of Insurance Regulation (OIR) determine the amount of money necessary and order an assessment. The title insurers recover the assessment by collecting a surcharge on each title policy issued in Florida. To prevent an insurer from gaining a competitive advantage, each title insurer is required to continue to collect the surcharge until all title insurers have recovered their assessments. Current law provides that surcharges collected in excess of the assessment amount are paid to the state.

The bill creates a mechanism for using excess surcharges to reduce the time that surcharges are collected. It provides that when a company has collected surcharges in excess of the amount it was assessed, the company shall pay the excess to the receiver. The receiver must maintain the money in an excess surcharge account and may use the excess surcharges only:

- To reduce or eliminate the amount of a future assessment for a title insurer currently in receivership or that later enters receivership; or
- To reduce the amount of time that consumers in the state are subject to surcharges by transferring the excess to title insurers that have not fully collected surcharges equal to the amount of the aggregate assessments they paid pursuant to s. 631.400, F.S.

If the receiver has no active title insurer receiverships for 12 consecutive months or there have been no payable claims against any title insurer receivership for 60 consecutive months, all excess surcharges held by the receiver must be paid to the Insurance Regulatory Trust Fund within DFS.

The bill also allows the OIR to order an additional surcharge in situations where a surcharge is being collected.

If a surcharge is already in effect at the time of an assessment, the bill allows OIR to order an additional surcharge based on a new assessment.

The Insurance Regulatory Trust Fund will receive an indeterminate amount of additional funds based on the requirement that excess surcharges held by DFS be deposited into the trust fund.

If approved by the Governor, these provisions take effect July 1, 2015.

*Vote: Senate 38-0; House 107-0*

## Committee on Banking and Insurance

### **CS/HB 961 — Electronic Noticing of Trust Accounts**

by Civil Justice Subcommittee and Rep. Broxson (CS/SB 1314 by Banking and Insurance Committee and Senator Bradley)

The bill provides a mechanism for trustees to provide electronic notices relating to trust accounts. A trustee has a duty to keep beneficiaries of an irrevocable trust reasonably informed of the trust and its administration. Specifically, the trustee must provide beneficiaries with an accounting of the trust at specified periods, disclosure of documents related to the trust, and notice of specific events related to the administration of the trust.

The bill authorizes a trustee to post required documents to a secure website or account if a beneficiary opts in to receiving electronic documents through a secure website or account. The bill also specifies when notice or the delivery of a document by electronic message or posting is complete and presumed received by the intended recipient for purposes of commencing a limitations period for breach of trust claims.

If approved by the Governor, these provisions take effect July 1, 2015.

*Vote: Senate 40-0; House 112-0*

## Committee on Banking and Insurance

### **CS/CS/HB 1087 — Operations of the Citizens Property Insurance Corporation**

by Regulatory Affairs Committee; Insurance and Banking Subcommittee; and Rep. Bileca and others (CS/CS/SB 1006 by Appropriations Committee; Banking and Insurance Committee; and Senators Flores and Margolis)

The bill makes the following changes relating to Citizens Property Insurance Corporation:

- Allows the consumer representative to the Citizens Board of Governors to be afforded the same conflict of interest exemption as other board members.  
Requires agents who write business for Citizens to hold an appointment with an admitted carrier that is currently writing or renewing policies in the state.  
Allows Citizens to share underwriting and claims files data with entities that have obtained a permit to become an authorized insurer, reinsurer, broker, or modeling company. Such data may not be used for direct solicitations and must be kept confidential.
- Requires Citizens to make changes, by January 1, 2016, to their plan of operation as it relates to take-out agreements made with private insurers.  
Requires that private companies must include in their take-out offers to Citizens policyholders, a comparison of coverages and rate between the insurer's policy and Citizens policy.
- Allows a Citizens policyholder who declines a take-out offer the option to be excluded from future take-out agreements for up to 6 months.
- Allows a Citizens policyholder, who accepts a take-out offer, the ability to reapply to Citizens and be treated as a renewal through the clearinghouse if within 36 months of leaving Citizens their premium is increased above the rate allowed under the Citizens glide path.

If approved by the Governor, these provisions take effect July 1, 2015.

*Vote: Senate 40-0; House 114-0*

## Committee on Banking and Insurance

### **CS/CS/CS/SB 1094 — Peril of Flood**

by Rules Committee; Community Affairs Committee; Banking and Insurance Committee; and Senator Brandes

The bill expands the flood insurance that may be offered by admitted insurance carriers, requires local governments to include a redevelopment component to reduce the risk of flood when drafting comprehensive coastal management plans, and requires surveyors and mappers to submit elevation certificates to the Division of Emergency Management.

The bill allows insurers to issue flood insurance policies, contracts, or endorsements on a flexible flood insurance basis. Flexible flood insurance coverage is defined as coverage for the peril of flood that may include water intrusion coverage and differs from standard or preferred coverage by including one or more of the following:

- An agreed upon amount of coverage between the insurer and policyholder.
- A deductible as authorized in s. 627.701, F.S.
- Adjustment in accordance with s. 627.7011(3), F.S., or adjusted only on the basis of the actual cash value of the property.
- Limitation of coverage to only the principal building, as defined in the policy.
- Provisions including or excluding coverage for additional living expenses.
- Provisions excluding coverage for personal property or contents.

The bill revises other provisions related to flood insurance. It deletes the prohibition against supplemental flood insurance including excess flood coverage over other flood insurance. The bill requires the insurer to provide an appropriate credit or discount to an insured whose rate is determined to be excessive or unfairly discriminatory by the Office of Insurance Regulation (OIR).

The bill allows an insurer to request from the OIR a certification that acknowledges that the insurer provides a policy, contract, or endorsement for the flood insurance that provides coverage equaling or exceeding the flood coverage offered by the NFIP. A certified policy must be in compliance with 42 U.S.C. s. 1042a(b), which requires federally regulated lending institutions to accept private flood insurance that insures the building and personal property securing the loan for the term of the loan in an amount not less than the outstanding principal balance of the loan or the limit of NFIP flood insurance coverage, whichever is less. An insurer or its agent may reference or include such certification in advertising and communications with an agent, a lending institution, an insured, and a potential insured. The authorized insurer may also include a statement that notifies an insured of the certification on the declarations page or other policy documentation related to flood coverage. Knowingly misrepresenting that a flood insurance policy is certified is an unfair or deceptive act.

The bill requires local governments, when drafting their comprehensive coastal management plans, to include development and redevelopment principles, strategies, and engineering solutions that reduce the flood risk in coastal areas. Such plans must encourage the use of best

practices development and redevelopment principles, strategies, and engineering solutions that will result in the removal of coastal real property from flood zone designations established by the Federal Emergency Management Agency. Plans should also identify site development techniques and best practices that may reduce losses due to flooding and claims made under flood insurance policies issued in this state. The plan must be consistent with, or more stringent than, the flood-resistant construction requirements in the Florida Building Code and applicable flood plain management regulations set forth in 44 C.F.R. part 60. The plan must require any construction activities seaward of the coastal construction control lines established pursuant to s. 161.053, F.S., be consistent with chapter 161. Plans must also encourage local governments to participate in the National Flood Insurance Program Community Rating System administered by the Federal Emergency Management Agency to achieve flood insurance premium discounts for their residents.

The bill requires surveyors and mappers to submit elevation certificates to the Division of Emergency Management. The bill defines an elevation certificate as the certificate used to demonstrate the elevation of property which has been developed by Federal Emergency Management Agency under federal floodplain management regulation or which is completed by a surveyor and mapper. Beginning January 1, 2017, a surveyor and mapper who completes an elevation certificate must, within 30 days of completion, submit a copy of the certificate to the Division of Emergency Management.

If approved by the Governor, these provisions take effect July 1, 2015.

*Vote: Senate 39-0; House 89-26*

## Committee on Banking and Insurance

### **CS/CS/HB 1127 — Insurance Fraud**

by Appropriations Committee; Insurance and Banking Subcommittee; and Rep. Sullivan (CS/CS/SB 1306 by Appropriations Committee; Banking and Insurance Committee; and Senator Bradley)

The bill provides that knowingly making an unlawful claim for reimbursement made on behalf of an unlicensed clinic or a clinic operating in violation of the Health Care Clinic Act is considered theft, regardless of whether payment is made. The bill also specifies that an knowingly owning, operating, managing or maintaining an unlicensed clinic; or offering or advertising services without licensure under the Health Care Clinic Act or the Health Care Licensing Procedures Act is a third degree felony, regardless of whether the Agency for Health Care Administration (agency) has provided notice to the entity that it is illegally engaging in unlicensed activity. If the agency provides a notice of unlicensed activity or a person is arrested for such actions, each day during which the above violations occurs is a separate offense. A person convicted of a second or subsequent violation commits a second degree felony. The bill also specifies that a person commits a third degree felony if the person fails to report required information to the agency.

In 2012, the Department of Financial Services established a direct-support organization to support the prosecution, investigation, and prevention of motor vehicle insurance fraud. The direct support organization has engaged in limited organizational activity during its existence. The bill repeals the statute authorizing the direct support organization.

If approved by the Governor, these provisions take effect October 1, 2015.

*Vote: Senate 39-0; House 117-0*

## Committee on Banking and Insurance

### **CS/CS/HB 1133 — Division of Insurance Agent and Agency Services**

by Regulatory Affairs Committee; Insurance and Banking Subcommittee; and Rep. Fant and others (CS/CS/SB 1222 by Fiscal Policy Committee; Banking and Insurance Committee; and Senator Richter)

The bill revises certain insurance agent responsibilities and licensing requirements as follows:  
General Lines Agents:

- Repeals a restriction that limits general lines agents to selling health insurance only for companies which also sell property, casualty, or surety insurance;
- Revises the experience and educational requirements for general lines agent applicants and personal lines agent applicants; and
- Exempts applicants for licensure as general lines agents or all-lines adjusters from certain examination requirements if they have a degree in insurance or designations from various insurance industry organizations.

Life and Health Agents:

- Revises the qualifications for licensure of life and health agents by modifying the course work requirements, requiring specific designations, and repealing obsolete references to correspondence courses.

Agents in Charge of an Insurance Agency:

- Provides that the agent-in-charge of an insurance agency must be licensed to transact at least two of the lines of insurance being handled at an agency location instead of being licensed to handle all lines of insurance.

General Agent Provisions:

- Requires agents to maintain certain policy records for 5 years after policy expiration;
- Clarifies that licensed agents can charge and collect the “exact amount of any discount or other such fee charged by a credit card facility in connection with the use of a credit card” in addition to the premium charged by insurers; and
- Permits agents to deliver notices of insolvency by electronic mail with delivery receipt required.

Customer Representatives:

- Modifies the licensure requirements for customer representative and repeals the written examination requirement;
- Revises the educational requirements and repeals the examination requirement for applicants for licensure as a customer representative;
- Allows customer representatives to receive commissions as long as the commissions are not the primary source of compensation; and
- Allows agents to divide commissions with a customer representative.

Licensure Examinations:

- Provides that applicants for licensure as a personal lines agent, a life agent, or a health agent is subject to an examination only on pertinent provisions of the Florida Insurance Code if the applicant meets specified educational requirements; and
- Specifies that a prelicensure course provider may not grant completion credit unless the student completes at least 75 percent of the required course hours.

The bill also defines the term “surrender” for purposes of premiums related to the surrender of an annuity or life insurance policy and revises the notice requirements for recommending the surrender of an annuity contract or life insurance policy by including e-mail delivery with delivery receipt.

There is no fiscal impact to state funds.

If approved by the Governor, these provisions take effect July 1, 2015.

*Vote: Senate 39-0; House 117-0*



## Committee on Banking and Insurance

### **CS/HB 4011 — Motor Vehicle Insurance**

by Insurance and Banking Subcommittee and Rep. Goodson (CS/CS/SB 234 by Judiciary Committee; Banking and Insurance Committee; and Senator Montford)

The bill removes the limitation that no more than four automobiles may be insured on the same private passenger motor vehicle insurance policy. This would allow any number of automobiles to be insured under one private passenger motor vehicle insurance policy.

If approved by the Governor, these provisions take effect July 1, 2015.

*Vote: Senate 36-0; House 117-0*

## Committee on Banking and Insurance

### **SB 7008 — OGSR/Licensure Examination Questions/Board of Funeral, Cemetery, and Consumer Services**

by Banking and Insurance Committee

The bill is the result of an Open Government Sunset Review (OGSR) by the Banking and Insurance Committee professional staff of the public-meeting exemption for portions of meetings of the Board of Funeral, Cemetery, and Consumer Services (“board”) at which licensure examination questions or answers are discussed. The exemption also includes the recording of the portion of the meeting that is closed for discussion of licensure examination questions or answers.

The board enforces provisions of ch. 497, F.S., relating to funeral and cemetery services. It also has broad authority over licensure and examination of applicants for various licenses. That authority includes specifying the content of examinations for licensure, striking any examination question determined before or after an examination to be inappropriate, and specifying which national examinations shall or shall not be required or accepted in Florida.

Current law provides that those portions of meetings of the board at which licensure examination questions or answers are discussed are exempt from public meetings requirements. The closed meeting must be recorded, and no portion of the closed meeting may be off the record. The recording shall be maintained by the board. The recording of a closed portion of a meeting is exempt from public record requirements. This bill repeals the scheduled expiration of the public meetings exemption and takes effect on October 1, 2015.

If approved by the Governor, these provisions take effect October 1, 2015.

*Vote: Senate 39-0; House 116-0*

## Committee on Banking and Insurance

### **SB 7010 — OGSR/Examination Techniques or Procedures/Office of Financial Regulation**

by Banking and Insurance Committee

The bill makes permanent the public records exemption for examination techniques and procedures used by the Office of Financial Regulation pursuant to the Florida Securities and Investor Protection Act by removing the scheduled repeal date of October 2, 2015. This bill is the result of an Open Government Sunset Review (OGSR) by the Banking and Insurance Committee staff of a public records exemption in s. 517.2016, F.S.

If approved by the Governor, these provisions take effect October 1, 2015.

*Vote: Senate 39-0; House 116-0*

## Committee on Banking and Insurance

### **SB 7012 — OGSR/Credit History Information and Credit Scores/Office of Financial Regulation**

by Banking and Insurance Committee

The bill reenacts the public records exemption that makes credit history information and credit scores held by the Office of Financial Regulation (OFR) confidential and exempt from public-records requirements. The OFR regulates loan originators (non-depository mortgage brokers and mortgage lenders). Applicants for initial licensure or renewal of a license must meet minimum requirements in order to demonstrate character, financial responsibility, and general fitness, as required by the federal SAFE Mortgage Licensing Act of 2008. As part of this licensure process, an applicant must authorize the release of an independent credit report and credit score to the OFR.

Pursuant to the Open Government Sunset Review Act, the exemption will repeal on October 2, 2015, unless reenacted by the Legislature. The reenactment of the exemption would continue to protect sensitive personal financial information of applicants from being disclosed. The release of such sensitive personal information would be defamatory and make those persons vulnerable to identity theft and other crimes.

If approved by the Governor, these provisions take effect October 1, 2015.

*Vote: Senate 39-0; House 114-1*