

By Senator Williams

4-408C-98

1                                   A bill to be entitled  
2           An act relating to insurance; amending ss.  
3           624.425, 624.428, 624.478, 626.112, F.S.;  
4           requiring agents to be appointed; amending s.  
5           624.501, F.S.; clarifying application of fees  
6           for title insurance agents; amending s.  
7           626.022, F.S.; providing for applicability of  
8           ch. 626, F.S.; amending s. 626.051, F.S.;  
9           revising the definition of the term "life  
10          agent"; defining the term "variable contract  
11          agent" and prescribing requirements for  
12          soliciting or selling variable life insurance,  
13          variable annuity contracts, and other  
14          indeterminate value contracts; amending s.  
15          626.062, F.S.; conforming a cross-reference;  
16          amending ss. 626.141, 626.171, 626.181,  
17          626.211, 626.221, 626.266, 626.281, 626.311,  
18          626.511, 626.521, 626.561, 626.611, 626.621,  
19          626.641, 626.651, 626.727, 626.730, 626.732,  
20          626.733, 626.877, F.S.; including customer  
21          representatives within and deleting claims  
22          investigators from application of certain  
23          provisions; excluding solicitors; authorizing  
24          the department to secure a credit and character  
25          report on certain persons; providing limits;  
26          providing requirements of the department;  
27          amending s. 626.451, F.S.; requiring law  
28          enforcement agencies, the state attorney's  
29          office, and court clerks to notify the  
30          department of agents found guilty of felonies;  
31          amending s. 626.201, F.S.; providing for

1           interrogatories before reinstatement; amending  
2           s. 626.321, F.S.; authorizing certain entities  
3           that hold a limited license for credit life or  
4           disability insurance to sell credit property  
5           insurance; authorizing persons who hold a  
6           limited license for credit insurance to hold  
7           certain additional licenses; amending s.  
8           626.331, F.S.; requiring licensure of certain  
9           agents for certain appointments; providing that  
10          an appointment fee is not refundable; amending  
11          s. 626.342, F.S.; prohibiting furnishing  
12          supplies to certain agents; amending s.  
13          626.541, F.S.; specifying names and addresses  
14          required of certain personnel of corporations;  
15          amending s. 626.592, F.S.; revising provisions  
16          relating to designation of primary agents;  
17          amending s. 626.601, F.S.; authorizing the  
18          department to initiate investigation of agents  
19          under certain conditions; amending s. 626.681,  
20          F.S.; providing for administrative fines in  
21          addition to certain actions; increasing such  
22          fines; amending s. 626.691, F.S.; authorizing  
23          the department to place certain persons on  
24          probation in addition to suspending, revoking,  
25          or refusing to renew a license or appointment;  
26          creating s. 626.692, F.S.; providing for  
27          restitution under certain circumstances;  
28          amending s. 626.7351, F.S.; specifying  
29          additional qualifications for a customer  
30          representative's license; amending s. 626.739,  
31          F.S.; specifying a temporary license as general

1 | lines insurance agent; amending s. 626.741,  
2 | F.S.; authorizing the department to issue a  
3 | customer representative license to certain  
4 | persons; providing a limitation; providing  
5 | procedures for agent licensure of certain  
6 | persons under certain circumstances; providing  
7 | for cancellation of a nonresident agent's  
8 | license; amending ss. 626.792, 626.835, F.S.;  
9 | providing procedures for issuing a resident  
10 | agent's license to certain persons; amending s.  
11 | 626.837, F.S.; clarifying conditions of placing  
12 | certain excess or rejected risks; amending s.  
13 | 626.8411, F.S.; conforming a cross-reference;  
14 | amending s. 626.8417, F.S.; revising the  
15 | qualifications for licensure as a title  
16 | insurance agent; amending s. 626.8418, F.S.;  
17 | increasing the amount of the deposit or bond of  
18 | a title insurance agency; specifying that the  
19 | bond of a title insurance agency must be posted  
20 | with the department and must inure to the  
21 | benefit of damaged insurers and insureds;  
22 | amending ss. 626.8437, 626.844, F.S.;  
23 | clarifying application of grounds for refusal,  
24 | suspension, or revocation of license or  
25 | appointment; amending s. 626.8443, F.S.;  
26 | providing additional limitations on activities  
27 | during suspension or after revocation of a  
28 | license; amending s. 626.852, F.S.; providing  
29 | for applicability; amending s. 626.869, F.S.;  
30 | requiring certain continuing education courses;  
31 | clarifying requirements of such courses;

1           amending s. 626.8695, F.S.; providing for  
2           notice to the department; requiring designation  
3           of primary adjuster on forms prescribed by the  
4           department; amending s. 626.872, F.S.;  
5           prohibiting the department from issuing a  
6           temporary adjuster's license to certain  
7           persons; amending s. 626.873, F.S.; providing  
8           procedures for licensing certain persons as  
9           resident adjusters; providing for cancellation  
10          of nonresident adjuster's license; amending s.  
11          626.875, F.S.; prescribing time for keeping  
12          adjusters' records; amending s. 626.916, F.S.;  
13          requiring surplus lines agents to provide  
14          specified information; amending s. 626.922,  
15          F.S.; requiring surplus lines agents to perform  
16          certain duties relating to evidence of  
17          insurance; amending s. 626.928, F.S.;  
18          increasing bonds for surplus lines agents;  
19          amending ss. 626.927, 626.9271, 626.929,  
20          626.935, 626.944, F.S.; requiring appointment  
21          in addition to licensure of certain persons;  
22          amending s. 627.745, F.S.; clarifying a  
23          provision related to final examination;  
24          revising administration of the mediation  
25          program; amending s. 634.011, F.S.; revising a  
26          definition; amending ss. 634.171 and 634.420,  
27          F.S.; clarifying application of accountability  
28          provisions; amending s. 634.317, F.S.;  
29          providing for responsibility and accountability  
30          of sales representatives; amending s. 642.036,  
31          F.S.; deleting requirement that the addresses

1 of certain agents be filed with the department;  
2 repealing s. 626.112(6), F.S., relating to  
3 licensing of claims investigators; repealing s.  
4 626.532, F.S., relating to insurance vending  
5 machine licenses; repealing s. 626.857, F.S.,  
6 relating to the definition of "claims  
7 investigator"; providing an effective date.  
8

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

10  
11 Section 1. Section 624.425, Florida Statutes, is  
12 amended to read:

13 624.425 Resident agent and countersignature required,  
14 property, casualty, surety insurance.--

15 (1) Except as stated in s. 624.426, no authorized  
16 property, casualty, or surety insurer shall assume direct  
17 liability as to a subject of insurance resident, located, or  
18 to be performed in this state unless the policy or contract of  
19 insurance is issued by or through, and is countersigned by, a  
20 local producing agent who is a resident of this state,  
21 regularly commissioned and licensed currently as an agent and  
22 appointed as an agent for ~~of~~ the insurer under this code. If  
23 two or more authorized insurers issue a single policy of  
24 insurance against legal liability for loss or damage to person  
25 or property caused by the nuclear energy hazard, or a single  
26 policy insuring against loss or damage to property by  
27 radioactive contamination, whether or not also insuring  
28 against one or more other perils proper to insure against in  
29 this state, such policy if otherwise lawful may be  
30 countersigned on behalf of all of the insurers by a licensed  
31 and appointed resident agent of any insurer appearing thereon.

1 Such agent shall receive on each policy or contract the full  
2 and usual commission allowed and paid by the insurer to its  
3 agents on business written or transacted by them for the  
4 insurer.

5 (2) If any subject of insurance referred to in  
6 subsection (1) is insured under a policy, or contract, or  
7 certificate of renewal or continuation thereof, issued in  
8 another state and covering also property and risks outside  
9 this state, a certificate evidencing such insurance as to  
10 subjects located, resident, or to be performed in this state,  
11 shall be issued by or through and shall be countersigned by  
12 the insurer's commissioned and appointed ~~licensed~~ local  
13 producing agent resident in this state in the same manner and  
14 subject to the same conditions as is provided in subsection  
15 (1) as to policies and contracts; except that the compensation  
16 to be paid to the agent may relate only to the Florida portion  
17 of the insurance risks represented by such policy or contract.

18 (3) An agent shall not sign or countersign in blank  
19 any policy to be issued outside her or his office, or  
20 countersign in blank any countersignature endorsement  
21 therefor, or certificate issued thereunder. An agent may give  
22 a written power of attorney to the issuing insurance company  
23 to countersign such documents by imprinting his name, or the  
24 name of the agency or other entity with which the agent may be  
25 sharing commission pursuant to s. 626.753(1)(a) and (2),  
26 thereon in lieu of manually countersigning such documents; but  
27 an agent shall not give a power of attorney to any other  
28 person to countersign any such document in her or his name  
29 unless the person so authorized is directly employed by the  
30 agent and by no other person, and is so employed in the office  
31 of the agent.

1           (4) This section shall not be deemed to prohibit  
2 insurers from using salaried licensed and appointed agents for  
3 the production and servicing of business in this state and the  
4 issuance and countersignature by such agents of insurance  
5 policies or contracts, when required under subsection (1), and  
6 without payment of commission therefor.

7           (5) This section shall not be deemed to prohibit an  
8 insurer from authorizing an agent who is not regularly  
9 commissioned and appointed ~~licensed~~ currently as an agent of  
10 the insurer from countersigning a policy or contract of  
11 insurance issued pursuant to the provisions of ss. 627.311 and  
12 627.351. This section does not apply to reissuance of  
13 insurance policies or endorsements thereto which are part of a  
14 mass reissuance of such policies or endorsements and do not  
15 involve a change of premium or payment of agent's commissions.

16           Section 2. Subsections (1) and (2) of section 624.428,  
17 Florida Statutes, are amended to read:

18           624.428 Licensed agent law, life and health  
19 insurances.--

20           (1) No life insurer shall deliver or issue for  
21 delivery in this state any policy of life insurance, master  
22 group life insurance contract, master credit life policy or  
23 agreement, annuity contract, or contract or policy of health  
24 insurance, unless the application for such policy or contract  
25 is taken by, and the delivery of such policy or contract is  
26 made through, an insurance agent of the insurer duly licensed  
27 and appointed under the law of this state, who shall receive  
28 the usual commission due to an agent from such insurer.

29           (2) Each such insurer shall maintain a licensed and  
30 appointed agent at all times for the purpose of and through  
31

1 whom policies or contracts issued or delivered in this state  
2 shall be serviced.

3 Section 3. Section 624.478, Florida Statutes, is  
4 amended to read:

5 624.478 Use of agents.--A ~~commercial~~ self-insurance  
6 fund shall use an agent or agents licensed under parts I and  
7 II of chapter 626 to perform any of the activities described  
8 in s. 626.041(2). A ~~commercial~~ self-insurance fund shall have  
9 the authority to appoint ~~license~~ agents in accordance with  
10 parts I and II of chapter 626, and the fund and its appointed  
11 ~~licensed~~ agents shall be subject to the requirements of such  
12 provisions.

13 Section 4. Subsections (16), (17), and (29) of section  
14 624.501, Florida Statutes, are amended to read:

15 624.501 Filing, license, appointment, and  
16 miscellaneous fees.--The department shall collect in advance,  
17 and persons so served shall pay to it in advance, fees,  
18 licenses, and miscellaneous charges as follows:

19 (16) Issuance, reissuance, reinstatement, modification  
20 resulting in a modified license being issued, ~~or~~ duplicate  
21 copy of any insurance representative license, or an  
22 appointment being reinstated.....\$5.00

23 (17) Additional appointment ~~license~~ continuation fees  
24 as prescribed in chapter 626.....\$5.00

25 (29) Title insurance agents:

26 (a) Agent's original appointment or biennial renewal  
27 or continuation thereof, each insurer ~~and agency's biennial~~  
28 ~~license fee~~:

29 Appointment fee.....\$42.00

30 State tax.....12.00

31 County tax.....6.00



1 Total.....\$60.00  
2 (b) Agency original appointment license fee or  
3 biennial renewal or continuation thereof, each insurer:  
4 Appointment Licensing fee.....\$42.00  
5 State tax.....12.00  
6 County tax.....6.00  
7 Total.....\$60.00  
8 (c) Filing for title insurance agent's license:  
9 Application for filing, each filing, filing  
10 fee.....\$10.00  
11 (d) Additional appointment continuation fee as  
12 prescribed by s. 626.843.....\$5.00  
13 (e) Title insurer and title insurance agency  
14 administrative surcharge:  
15 1. On or before January 30 of each calendar year, each  
16 title insurer shall pay to the department for each licensed  
17 title insurance agency appointed by the title insurer and for  
18 each retail office of the insurer on January 1 of that  
19 calendar year an administrative surcharge of \$200.00.  
20 2. On or before January 30 of each calendar year, each  
21 licensed title insurance agency shall remit to the department  
22 an administrative surcharge of \$200.00.  
23  
24 The administrative surcharge may be used solely to defray the  
25 costs to the department in its examination or audit of title  
26 insurance agencies ~~agents~~ and retail offices of title insurers  
27 and to gather title insurance data for statistical purposes in  
28 its regulation of title insurance.  
29 Section 5. Section 626.022, Florida Statutes, is  
30 amended to read:  
31 626.022 Scope of part.--

1           (1) This part applies as to insurance agents,  
2 solicitors, service representatives, adjusters, and insurance  
3 agencies; as to any and all kinds of insurance; and as to  
4 stock insurers, mutual insurers, reciprocal insurers, and all  
5 other types of insurers, except that:

6           (a) The applicability of this chapter as to  
7 reinsurance intermediaries, as defined in s. 626.7492, shall  
8 be as provided in part II of chapter 626 ~~it does not apply as~~  
9 ~~to reinsurance.~~

10           (b) The applicability of this chapter as to fraternal  
11 benefit societies shall be as provided in chapter 632.

12           (c) It does not apply to a bail bond agent, as defined  
13 in s. 648.25, except as provided in chapter 648 or chapter  
14 903.

15           (2) For the purposes of this part, "insurance" also  
16 includes annuity contracts.

17           Section 6. Subsections (1) and (2) of section 626.051,  
18 Florida Statutes, are amended to read:

19           626.051 "Life agent" defined.--

20           (1)(a) For the purposes of this part, a "life agent"  
21 is a person who represents ~~one representing~~ an insurer as to  
22 life insurance and annuity contracts. The term also includes  
23 an agent appointed as such as to life insurance, fixed-dollar  
24 annuity contracts, or variable contracts, ~~and health insurance~~  
25 ~~contracts~~ by the same insurer.

26           (b) A person may not solicit or sell variable life  
27 insurance, variable annuity contracts, or any other  
28 indeterminate value contracts unless the person has  
29 successfully completed a licensure examination relating to  
30 variable annuity contracts authorized and approved by the  
31 department.

1           (2) Except as provided in s. 626.112~~(6)~~(7), with  
2 respect to any such insurances or contracts, no person shall,  
3 unless licensed as an agent:

4           (a) Solicit insurance or annuities or procure  
5 applications; or

6           (b) In this state engage or hold himself or herself  
7 out as engaging in the business of analyzing or abstracting  
8 insurance policies or of counseling or advising or giving  
9 opinions to persons relative to insurance or insurance  
10 contracts other than:

11           1. As a consulting actuary advising an insurer; or

12           2. As to the counseling and advising of labor unions,  
13 associations, trustees, employers or other business entities,  
14 the subsidiaries and affiliates of each, relative to their  
15 interests and those of their members or employees under  
16 insurance benefit plans.

17           Section 7. "Variable contract agent" defined.--For the  
18 purposes of part I of chapter 626, Florida Statutes, a  
19 "variable contract agent" is one representing an insurer as to  
20 variable annuity, variable life, or other indeterminate value  
21 or variable contracts as defined in section 627.8015, Florida  
22 Statutes.

23           Section 8. Subsection (2) of section 626.062, Florida  
24 Statutes, is amended to read:

25           626.062 "Health agent" defined.--

26           (2) Except as provided in s. 626.112~~(6)~~(7), with  
27 respect to such insurance, no person shall, unless licensed as  
28 an agent:

29           (a) Solicit insurance or procure applications; or

30           (b) In this state engage or hold himself or herself  
31 out as engaging in the business of analyzing or abstracting

1 insurance policies or of counseling or advising or giving  
2 opinions to persons relative to insurance contracts other  
3 than:

- 4 1. As a consulting actuary advising insurers; or
- 5 2. As to the counseling and advising of labor unions,  
6 associations, trustees, employers or other business entities,  
7 the subsidiaries and affiliates of each, relative to their  
8 interests and those of their members or employees under  
9 insurance benefit plans.

10 Section 9. Section 626.112, Florida Statutes, is  
11 amended to read:

12 626.112 License and appointment required; agents,  
13 customer representatives, solicitors, adjusters, insurance  
14 agencies, service representatives, managing general agents,  
15 ~~claims investigators.~~--

16 (1) No person shall be, act as, or advertise or hold  
17 himself or herself out to be an insurance agent, customer  
18 representative, solicitor, or adjuster unless he or she is  
19 currently licensed and appointed.

20 (2) No agent, customer representative, or solicitor  
21 shall solicit or otherwise transact as agent, customer  
22 representative, or solicitor, or represent or hold himself or  
23 herself out to be an agent, customer representative, or  
24 solicitor as to, any kind or kinds of insurance as to which he  
25 or she is not then licensed and appointed.

26 (3) No person shall act as an adjuster as to any class  
27 of business for which he or she is not then licensed and  
28 appointed.

29 (4) No person shall be, act as, or represent or hold  
30 himself or herself out to be a service representative unless  
31 he or she then holds a currently effective service

1 representative license and appointment. This subsection does  
2 not apply as to similar representatives or employees of  
3 casualty insurers whose duties are restricted to health  
4 insurance.

5 (5) No person shall be, act as, or represent or hold  
6 himself or herself out to be a managing general agent unless  
7 he or she then holds a currently effective managing general  
8 agent license and appointment.

9 ~~(6) No person shall be, act as, or represent or hold~~  
10 ~~himself or herself out to be a claims investigator, or perform~~  
11 ~~any of the functions of a claims investigator, unless he or~~  
12 ~~she then holds a currently effective claims investigator~~  
13 ~~license and appointment.~~

14 (6)~~(7)~~ An individual employed by a life or health  
15 insurer as an officer or other salaried representative may  
16 solicit and effect contracts of life insurance or annuities or  
17 of health insurance, without being licensed as an agent, when  
18 and only when he or she is accompanied by and solicits for and  
19 on the behalf of a licensed and appointed agent.

20 (7)~~(8)~~(a) No individual, firm, partnership,  
21 corporation, association, or any other entity shall act in its  
22 own name or under a trade name, directly or indirectly, as an  
23 insurance agency, when required to be licensed by this  
24 subsection, unless it complies with s. 626.172 with respect to  
25 possessing an insurance agency license for each place of  
26 business at which it engages in any activity which may be  
27 performed only by a licensed insurance agent or solicitor.

28 (b) An insurance agency shall, as a condition  
29 precedent to continuing business, obtain an insurance agency  
30 license if the department finds that, with respect to any  
31 majority owner, partner, manager, director, officer, or other

1 person who manages or controls the agency, any person has,  
2 subsequent to the effective date of this act:

3 1. Been found guilty of, or has pleaded guilty or nolo  
4 contendere to, a felony in this state or any other state  
5 relating to the business of insurance or to an insurance  
6 agency, without regard to whether a judgment of conviction has  
7 been entered by the court having jurisdiction of the cases.

8 2. Employed any individual in a managerial capacity or  
9 in a capacity dealing with the public who is under an order of  
10 revocation or suspension issued by the department. An  
11 insurance agency may request, on forms prescribed by the  
12 department, verification of any person's license status. If a  
13 request is mailed within 5 working days after an employee is  
14 hired, and the employee's license is currently suspended or  
15 revoked, the agency shall not be required to obtain a license,  
16 if the unlicensed person's employment is immediately  
17 terminated.

18 3. Operated the agency or permitted the agency to be  
19 operated in violation of s. 626.747.

20 4. With such frequency as to have made the operation  
21 of the agency hazardous to the insurance-buying public or  
22 other persons:

23 a. Solicited or handled controlled business. This  
24 subparagraph shall not prohibit the licensing of any lending  
25 or financing institution or creditor, with respect to  
26 insurance only, under credit life or disability insurance  
27 policies of borrowers from the institutions, which policies  
28 are subject to part IX of chapter 627.

29 b. Misappropriated, converted, or unlawfully withheld  
30 moneys belonging to insurers, insureds, beneficiaries, or  
31

- 1 others and received in the conduct of business under the  
2 license.
- 3 c. Unlawfully rebated, attempted to unlawfully rebate,  
4 or unlawfully divided or offered to divide commissions with  
5 another.
- 6 d. Misrepresented any insurance policy or annuity  
7 contract, or used deception with regard to any policy or  
8 contract, done either in person or by any form of  
9 dissemination of information or advertising.
- 10 e. Violated any provision of this code or any other  
11 law applicable to the business of insurance in the course of  
12 dealing under the license.
- 13 f. Violated any lawful order or rule of the  
14 department.
- 15 g. Failed or refused, upon demand, to pay over to any  
16 insurer he or she represents or has represented any money  
17 coming into his or her hands belonging to the insurer.
- 18 h. Violated the provision against twisting as defined  
19 in s. 626.9541(1)(1).
- 20 i. In the conduct of business, engaged in unfair  
21 methods of competition or in unfair or deceptive acts or  
22 practices, as prohibited under part X of this chapter.
- 23 j. Willfully overinsured any property insurance risk.
- 24 k. Engaged in fraudulent or dishonest practices in the  
25 conduct of business arising out of activities related to  
26 insurance or the insurance agency.
- 27 l. Demonstrated lack of fitness or trustworthiness to  
28 engage in the business of insurance arising out of activities  
29 related to insurance or the insurance agency.
- 30  
31

1           m. Authorized or knowingly allowed individuals to  
2 transact insurance who were not then licensed as required by  
3 this code.

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

7           6. Willfully circumvented the requirements or  
8 prohibitions of this code.

9           (c) An agency required to be licensed in accordance  
10 with paragraph (b) shall remain so licensed for a period of 3  
11 years from the date of licensure unless the license is  
12 suspended or revoked in accordance with law. The department  
13 may revoke or suspend the agency authority to do business for  
14 activities occurring during the time the agency is licensed,  
15 regardless of whether the licensing period has terminated.

16           (d) Notwithstanding the provisions of this subsection,  
17 no insurance agency shall be required to apply for an agency  
18 license if such agency can prove to the department that:

19           1. The agency is severing its relationship with each  
20 majority owner, partner, manager, director, officer, or other  
21 person who managed or controlled such agency and who violated  
22 any of the provisions of paragraph (b).

23           2. No such majority owner, partner, manager, director,  
24 officer, or other person who managed such agency is to be  
25 affiliated with such agency in any capacity for a period of 3  
26 years from the date of such severance.

27           Section 10. Section 626.141, Florida Statutes, is  
28 amended to read:

29           626.141 Violation not to affect validity of  
30 insurance.--An insurance contract which is otherwise valid and  
31 binding as between the parties thereto shall not be rendered



1 invalid by reason of having been solicited, handled, or  
2 procured by or through an unlicensed agent, customer  
3 representative, or solicitor or an agent, customer  
4 representative, or solicitor who has not been appointed.

5 Section 11. Subsections (1) and (6) of section  
6 626.171, Florida Statutes, are amended to read:

7 626.171 Application for license.--

8 (1) The department shall not issue a license as agent,  
9 customer representative, ~~solicitor~~, adjuster, insurance  
10 agency, service representative, managing general agent, or  
11 reinsurance intermediary, ~~or claims investigator~~, to any  
12 person except upon written application therefor filed with it,  
13 qualification therefor, and payment in advance of all  
14 applicable fees. Any such application shall be made under the  
15 oath of the applicant and be signed by the applicant.

16 (6) The application for license filing fee prescribed  
17 in s. 624.501 is ~~shall not be~~ subject to refund.

18 Section 12. Section 626.181, Florida Statutes, is  
19 amended to read:

20 626.181 Number of applications for licensure  
21 required.--After a license as agent, customer representative,  
22 ~~solicitor~~, or adjuster has been issued to an individual, the  
23 same individual shall not be required to take another  
24 examination for a similar license, regardless, in the case of  
25 an agent, of the number of insurers to be represented by him  
26 or her as agent, unless:

27 (1) Specifically ordered by the department to complete  
28 a new application for license; or

29 (2) During any period of 24 months since the filing of  
30 the original license application, such individual was not  
31 appointed as an agent, customer representative, ~~solicitor~~, or

1 adjuster, unless the failure to be so appointed was due to  
2 military service, in which event the period within which a new  
3 application is not required may, in the discretion of the  
4 department, be extended to 12 months following the date of  
5 discharge from military service if the military service does  
6 not exceed 3 years, but in no event to extend under this  
7 clause for a period of more than 4 years from the date of  
8 filing of the original application for license.

9 Section 13. Section 626.201, Florida Statutes, is  
10 amended to read:

11 626.201 Investigation.--The department may propound  
12 any reasonable interrogatories in addition to those contained  
13 in the application, to any applicant for license or  
14 appointment, or on any renewal, reinstatement, or continuation  
15 thereof, relating to his or her qualifications, residence,  
16 prospective place of business, and any other matter which, in  
17 the opinion of the department, is deemed necessary or  
18 advisable for the protection of the public and to ascertain  
19 the applicant's qualifications. The department may, upon  
20 completion of the application, make such further investigation  
21 as it may deem advisable of the applicant's character,  
22 experience, background, and fitness for the license or  
23 appointment. Such an inquiry or investigation shall be in  
24 addition to any examination required to be taken by the  
25 applicant as hereinafter in this chapter provided.

26 Section 14. Subsection (2) of section 626.211, Florida  
27 Statutes, is amended to read:

28 626.211 Approval, disapproval of application.--

29 (2) Upon approval of an applicant for license as  
30 agent, customer representative, ~~solicitor~~, or adjuster who is  
31 subject to written examination, the department shall notify

1 the applicant when and where he or she may take the required  
2 examination.

3 Section 15. Paragraphs (c) and (d) of subsection (2)  
4 and subsection (3) of section 626.221, Florida Statutes, are  
5 amended to read:

6 626.221 Examination requirement; exemptions.--

7 (2) However, no such examination shall be necessary in  
8 any of the following cases:

9 (c) In the discretion of the department, an applicant  
10 for reinstatement of license or appointment as an agent,  
11 customer representative, or adjuster whose license has been  
12 suspended within 2 years prior to the date of application or  
13 written request for reinstatement.

14 (d) An applicant who, within 2 years prior to  
15 application for license and appointment as an agent, customer  
16 representative, or adjuster, was a full-time salaried employee  
17 of the department and had continuously been such an employee  
18 with responsible insurance duties for not less than 2 years  
19 and who had been a licensee within 2 years prior to employment  
20 by the department with the same class of license as that being  
21 applied for.

22 (3) An individual who is already licensed as a  
23 solicitor or customer representative shall not be licensed as  
24 a general lines agent without application and examination for  
25 such license.

26 Section 16. Section 626.266, Florida Statutes, is  
27 amended to read:

28 626.266 Printing of examinations or related materials  
29 to preserve examination security.--A contract let for the  
30 development, administration, or grading of examinations or  
31 related materials by the Department of Insurance pursuant to

1 the various agent, customer representative, solicitor, or  
2 adjuster licensing and examination provisions of this code may  
3 include the printing or furnishing of these examinations or  
4 related materials in order to preserve security. Any such  
5 contract shall be let as a contract for a contractual service  
6 pursuant to s. 287.057.

7 Section 17. Subsection (2) of section 626.281, Florida  
8 Statutes, is amended to read:

9 626.281 Reexamination.--

10 (2) The department may require any individual whose  
11 license as an agent, customer representative, or adjuster has  
12 expired or has been suspended to pass an examination prior to  
13 reinstating or relicensing the individual as to any class of  
14 license. The examination fee shall be paid as to each  
15 examination.

16 Section 18. Subsection (1) of section 626.311, Florida  
17 Statutes, is amended to read:

18 626.311 Scope of license.--

19 (1) Except as to limited licenses, the applicant for  
20 license as a general lines agent or customer representative  
21 ~~solicitor~~ shall qualify for all property, marine, casualty,  
22 and surety lines except bail bonds which require a separate  
23 license under chapter 648. The license of a general lines  
24 agent may also cover health insurance if health insurance is  
25 included in the agent's appointment by an insurer as to which  
26 the licensee is also appointed as agent for property or  
27 casualty or surety insurance. The license of a customer  
28 representative ~~solicitor~~ shall provide, in substance, that it  
29 covers all of such classes of insurance that his or her  
30 appointing general lines agent or agency is currently so  
31 authorized to transact under the general lines agent's license

1 and appointments. No such license shall be issued limited to  
2 particular classes of insurance except for bail bonds which  
3 require a separate license under chapter 648.

4 Section 19. Subsection (1) of section 626.321, Florida  
5 Statutes, is amended to read:

6 626.321 Limited licenses.--

7 (1) The department shall issue to a qualified  
8 individual, or a qualified individual or entity under  
9 paragraphs (c), (d), and (e), a license as agent authorized to  
10 transact a limited class of business in any of the following  
11 categories:

12 (a) Motor vehicle physical damage and mechanical  
13 breakdown insurance.--License covering insurance against only  
14 the loss of or damage to any motor vehicle which is designed  
15 for use upon a highway, including trailers and semitrailers  
16 designed for use with such vehicles. Such license also covers  
17 insurance against the failure of an original or replacement  
18 part to perform any function for which it was designed. The  
19 applicant for such a license shall pass a written examination  
20 covering motor vehicle physical damage insurance and  
21 mechanical breakdown insurance. No individual while so  
22 licensed shall hold a license as an agent or solicitor as to  
23 any other or additional kind or class of insurance coverage  
24 except as to a limited license for credit life and disability  
25 insurances as provided in paragraph (e).

26 (b) Industrial fire insurance or burglary  
27 insurance.--License covering only industrial fire insurance or  
28 burglary insurance. The applicant for such a license shall  
29 pass a written examination covering such insurance. No  
30 individual while so licensed shall hold a license as an agent  
31

1 or solicitor as to any other or additional kind or class of  
2 insurance coverage except as to life and health insurances.

3 (c) Personal accident insurance.--License covering  
4 only policies of personal accident insurance covering the  
5 risks of travel, except as provided in subparagraph 2. The  
6 license may be issued only:

7 1. To a full-time salaried employee of a common  
8 carrier or a full-time salaried employee or owner of a  
9 transportation ticket agency and may authorize the sale of  
10 such ticket policies only in connection with the sale of  
11 transportation tickets, or to the full-time salaried employee  
12 of such an agent. No such policy shall be for a duration of  
13 more than 48 hours or for the duration of a specified one-way  
14 trip or round trip.

15 2. To a full-time salaried employee of a business  
16 which offers motor vehicles for rent or lease, or to a  
17 business office of a business which offers motor vehicles for  
18 rent or lease if insurance sales activities authorized by the  
19 license are limited to full-time salaried employees. A  
20 business office licensed or a person licensed pursuant to this  
21 subparagraph may, as an agent of an insurer, transact  
22 insurance that provides coverage for accidental personal  
23 injury or death of the lessee and any passenger who is riding  
24 or driving with the covered lessee in the rental motor vehicle  
25 if the lease or rental agreement is for not more than 30 days,  
26 or if the lessee is not provided coverage for more than 30  
27 consecutive days per lease period; however, if the lease is  
28 extended beyond 30 days, the coverage may be extended one time  
29 only for a period not to exceed an additional 30 days.

30 (d) Baggage and motor vehicle excess liability  
31 insurance.--

1           1. License covering only insurance of personal effects  
2 except as provided in subparagraph 2. The license may be  
3 issued only:

4           a. To a full-time salaried employee of a common  
5 carrier or a full-time salaried employee or owner of a  
6 transportation ticket agency, which person is engaged in the  
7 sale or handling of transportation of baggage and personal  
8 effects of travelers, and may authorize the sale of such  
9 insurance only in connection with such transportation; or

10           b. To the full-time salaried employee of a licensed  
11 general lines agent, a full-time salaried employee of a  
12 business which offers motor vehicles for rent or lease, or to  
13 a business office of a business which offers motor vehicles  
14 for rent or lease if insurance sales activities authorized by  
15 the license are limited to full-time salaried employees.

16  
17 The purchaser of baggage insurance shall be provided written  
18 information disclosing that the insured's homeowner's policy  
19 may provide coverage for loss of personal effects and that the  
20 purchase of such insurance is not required in connection with  
21 the purchase of tickets or in connection with the lease or  
22 rental of a motor vehicle.

23           2. A business office licensed pursuant to subparagraph  
24 1., or a person licensed pursuant to subparagraph 1. who is a  
25 full-time salaried employee of a business which offers motor  
26 vehicles for rent or lease, may include lessees under a master  
27 contract providing coverage to the lessor or may transact  
28 excess motor vehicle liability insurance providing coverage in  
29 excess of the standard liability limits provided by the lessor  
30 in its lease to a person renting or leasing a motor vehicle  
31 from the licensee's employer for liability arising in

1 connection with the negligent operation of the leased or  
2 rented motor vehicle, provided that the lease or rental  
3 agreement is for not more than 30 days; that the lessee is not  
4 provided coverage for more than 30 consecutive days per lease  
5 period, and, if the lease is extended beyond 30 days, the  
6 coverage may be extended one time only for a period not to  
7 exceed an additional 30 days; that the lessee is given written  
8 notice that his or her personal insurance policy providing  
9 coverage on an owned motor vehicle may provide additional  
10 excess coverage; and that the purchase of the insurance is not  
11 required in connection with the lease or rental of a motor  
12 vehicle. The excess liability insurance may be provided to  
13 the lessee as an additional insured on a policy issued to the  
14 licensee's employer.

15           3. A business office licensed pursuant to subparagraph  
16 1., or a person licensed pursuant to subparagraph 1. who is a  
17 full-time salaried employee of a business which offers motor  
18 vehicles for rent or lease, may, as an agent of an insurer,  
19 transact insurance that provides coverage for the liability of  
20 the lessee to the lessor for damage to the leased or rented  
21 motor vehicle if:

22           a. The lease or rental agreement is for not more than  
23 30 days; or the lessee is not provided coverage for more than  
24 30 consecutive days per lease period, but, if the lease is  
25 extended beyond 30 days, the coverage may be extended one time  
26 only for a period not to exceed an additional 30 days;

27           b. The lessee is given written notice that his  
28 personal insurance policy that provides coverage on an owned  
29 motor vehicle may provide such coverage with or without a  
30 deductible; and

31



1 c. The purchase of the insurance is not required in  
2 connection with the lease or rental of a motor vehicle.

3 (e) Credit life or disability insurance.--License  
4 covering only credit life or disability insurance. The  
5 license may be issued only to an individual employed by a life  
6 or health insurer as an officer or other salaried or  
7 commissioned representative, or to an individual employed by  
8 or associated with a lending or financing institution or  
9 creditor, and may authorize the sale of such insurance only  
10 with respect to borrowers or debtors of such lending or  
11 financing institution or creditor. However, only the  
12 individual or entity whose tax identification number is used  
13 in receiving or is credited with receiving the commission from  
14 the sale of such insurance shall be the licensed agent of the  
15 insurer. No individual while so licensed shall hold a license  
16 as an agent or solicitor as to any other or additional kind or  
17 class of life or health insurance coverage. An entity other  
18 than a lending or financial institution defined in s. 626.988  
19 holding a limited license under this paragraph shall also be  
20 authorized to sell credit property insurance.

21 (f) Credit insurance.--License covering only credit  
22 insurance, as such insurance is defined in s. 624.605(1)(i),  
23 and no individual so licensed shall, during the same period,  
24 hold a license as an agent or solicitor as to any other or  
25 additional kind of life or health insurance with the exception  
26 of credit life or disability insurance as defined in paragraph  
27 (e).

28 Section 20. Subsections (3) and (4) of section  
29 626.331, Florida Statutes, are amended to read:

30 626.331 Number of appointments permitted or  
31 required.--

1           (3) The department may issue a single appointment  
2 covering both life and health insurances to an individual  
3 licensed ~~qualified~~ as to both such kinds of insurance and  
4 appointed as agent as to both such kinds by the same insurer.

5           (4) If requested in writing by the applicant or payor  
6 entitled thereto within 60 days after the denial or  
7 disapproval of an appointment, the department shall refund to  
8 the applicant or payor entitled thereto any state and county  
9 taxes received by it in connection with the application for  
10 the appointment. The appointment fee is not subject to  
11 refund. No refund shall be made under any circumstances after  
12 issuance of an appointment. No refund shall be made if the  
13 applicable appointment year has commenced before receipt by  
14 the department of the request for cancellation of the  
15 appointment and refund.

16           Section 21. Section 626.342, Florida Statutes, is  
17 amended to read:

18           626.342 Furnishing supplies to unlicensed life,  
19 health, or general lines agent prohibited; civil liability and  
20 penalty.--

21           (1) An ~~No~~ insurer, a managing general agent, or an  
22 agent, directly or through any representative, may not ~~shall~~  
23 furnish to any agent any blank forms, applications,  
24 stationery, or other supplies to be used in soliciting,  
25 negotiating, or effecting contracts of insurance on its behalf  
26 unless such blank forms, applications, stationery, or other  
27 supplies relate to a class of business with respect to which  
28 the agent is licensed and appointed, whether for that insurer  
29 or another insurer.

30           (2) Any insurer, general agent, or agent who furnishes  
31 any of the supplies specified in subsection (1) to any agent

1 or prospective agent not appointed to represent the insurer  
2 and who accepts from or writes any insurance business for such  
3 agent or agency is ~~shall be~~ subject to civil liability to any  
4 insured of such insurer to the same extent and in the same  
5 manner as if such agent or prospective agent had been  
6 appointed or authorized by the insurer or such agent to act in  
7 its or his or her behalf. The provisions of this subsection  
8 do not apply to insurance risk apportionment plans under s.  
9 627.351.

10 (3) This section does not apply to the placing of  
11 surplus lines business under the provisions of ss.  
12 626.913-626.937.

13 Section 22. Subsections (5) and (6) are added to  
14 section 626.451, Florida Statutes, to read:

15 626.451 Appointment of agent or other  
16 representative.--

17 (5) Any law enforcement agency, state attorney's  
18 office, or court clerk that is aware that an agent, adjuster,  
19 service representative, solicitor, customer representative, or  
20 managing general agent has pleaded guilty or nolo contendere  
21 to or has been found guilty of a felony shall notify the  
22 department of such fact.

23 (6) Upon the filing of an information or indictment  
24 against an agent, adjuster, service representative, solicitor,  
25 customer representative, or managing general agent, the state  
26 attorney or clerk of the circuit court shall immediately  
27 furnish the department a certified copy of the information or  
28 indictment.

29 Section 23. Subsection (1) of section 626.511, Florida  
30 Statutes, 1996 Supplement, is amended to read:

31

1           626.511 Reasons for termination; confidential  
2 information.--

3           (1) Any insurer terminating the appointment of an  
4 agent; any general lines agent terminating the appointment of  
5 a solicitor, customer representative, or a crop hail or  
6 multiple-peril crop insurance agent; and any employer  
7 terminating the appointment of an adjuster, service  
8 representative, or managing general agent, ~~or claims~~  
9 ~~investigator~~, whether such termination is by direct action of  
10 the appointing insurer, agent, or employer or by failure to  
11 renew or continue the appointment as provided, shall file with  
12 the department a statement of the reasons, if any, for and the  
13 facts relative to such termination. In the case of  
14 termination of the appointment of an agent, such information  
15 may be filed by the insurer or by the general agent of the  
16 insurer.

17           (2) In the case of terminations by failure to renew or  
18 continue the appointment, the information required under  
19 subsection (1) shall be filed with the department as soon as  
20 possible, and at all events within 30 days, after the date  
21 notice of intention not to so renew or continue was filed with  
22 the department as required in this chapter. In all other  
23 cases, the information required under subsection (1) shall be  
24 filed with the department at the time, or at all events within  
25 10 days after, notice of the termination was filed with the  
26 department.

27           (3) Any information, document, record, or statement  
28 furnished to the department under subsection (1) is  
29 confidential and exempt from the provisions of s. 119.07(1).

30           Section 24. Subsections (1) and (3) of section  
31 626.521, Florida Statutes, are amended to read:

1           626.521 Character, credit reports.--

2           (1) As to each applicant who for the first time in  
3 this state is applying and qualifying for a license as agent,  
4 solicitor, adjuster, service representative, customer  
5 representative, or managing general agent, ~~or claims~~  
6 ~~investigator~~, the appointing insurer or its manager or general  
7 agent in this state, in the case of agents, or the appointing  
8 general lines agent, in the case of solicitors or customer  
9 representatives, or the employer, in the case of service  
10 representatives ~~and claims investigators~~ and of adjusters who  
11 are not to be self-employed, shall coincidentally with such  
12 appointment or employment secure and thereafter keep on file a  
13 full detailed credit and character report made by an  
14 established and reputable independent reporting service,  
15 relative to the individual so appointed or employed.

16           (3) As to an applicant for an adjuster's, health care  
17 risk manager's, or reinsurance intermediary's license who is  
18 to be self-employed, the department may secure, at the cost of  
19 the applicant, a full detailed credit and character report  
20 made by an established and reputable independent reporting  
21 service relative to the applicant.

22           Section 25. Subsections (1) and (2) of section  
23 626.541, Florida Statutes, are amended to read:

24           626.541 Firm, corporate, and business names; officers;  
25 associates; notice of changes.--

26           (1) Any licensed agent or adjuster doing business  
27 under a firm or corporate name or under any business name  
28 other than his or her own individual name shall annually on or  
29 before January 1 file with the department, on forms furnished  
30 by it, a written statement of the firm, corporate, or business  
31 name being so used, the address of any office or offices or

1 places of business making use of such name, and the name and  
2 social security number of each officer and director ~~and the~~  
3 ~~president~~ of the corporation and of each individual associated  
4 in such firm or corporation as to the insurance transactions  
5 thereof or in the use of such business name.

6 (2) In the event of any change of such name, or of any  
7 of the officers and ~~such~~ directors ~~or president~~, or of any of  
8 such addresses, or in the personnel so associated, written  
9 notice of such change shall be filed with the department  
10 within 60 days by or on behalf of those licensees terminating  
11 any such firm, corporate, or business name or continuing to  
12 operate thereunder.

13 Section 26. Subsections (1) and (3) of section  
14 626.561, Florida Statutes, are amended to read:

15 626.561 Reporting and accounting for funds.--

16 (1) All premiums, return premiums, or other funds  
17 belonging to insurers or others received by an agent, customer  
18 representative, ~~solicitor,~~ or adjuster in transactions under  
19 his or her license are ~~shall be~~ trust funds ~~so~~ received by the  
20 licensee in a fiduciary capacity. An agent shall keep the  
21 funds belonging to each insurer for which he or she is not  
22 appointed, other than a surplus lines insurer, in a separate  
23 account so as to allow the department to properly audit such  
24 funds. The licensee in the applicable regular course of  
25 business shall account for and pay the same to the insurer,  
26 insured, or other person entitled thereto.

27 (3) Any agent, customer representative, ~~solicitor,~~ or  
28 adjuster who, not being lawfully entitled thereto, either  
29 temporarily or permanently diverts or misappropriates  
30 ~~appropriates~~ such funds or any portion thereof ~~to his or her~~  
31

1 ~~own use~~ or deprives the other person of a benefit therefrom  
2 commits the offense specified below:

3 (a) If the funds diverted or misappropriated  
4 ~~appropriated to his or her own use~~ are \$300 or less, a  
5 misdemeanor of the first degree, punishable as provided in s.  
6 775.082 or s. 775.083.

7 (b) If the funds diverted or misappropriated  
8 ~~appropriated to his or her own use~~ are more than \$300, but  
9 less than \$20,000, a felony of the third degree, punishable as  
10 provided in s. 775.082, s. 775.083, or s. 775.084.

11 (c) If the funds diverted or misappropriated  
12 ~~appropriated to his or her own use~~ are \$20,000 or more, but  
13 less than \$100,000, a felony of the second degree, punishable  
14 as provided in s. 775.082, s. 775.083, or s. 775.084.

15 (d) If the funds diverted or misappropriated  
16 ~~appropriated to his or her own use~~ are \$100,000 or more, a  
17 felony of the first degree, punishable as provided in s.  
18 775.082, s. 775.083, or s. 775.084.

19 Section 27. Subsections (1), (2), (4), and (7) of  
20 section 626.592, Florida Statutes, are amended to read:

21 626.592 Primary agents.--

22 (1) ~~On or before January 1, 1990, and annually~~  
23 ~~thereafter,~~Each person operating an insurance agency and each  
24 location of a multiple location agency shall designate a  
25 primary agent for each insurance agency location and shall  
26 file the name of the person so designated, and the address of  
27 the insurance agency location where he or she is primary  
28 agent, with the Department of Insurance, on a form approved by  
29 the department. The designation of the primary agent may be  
30 changed at the option of the agency and any change shall be  
31 effective upon notification to the department. Notice of

1 change must be sent to the department within 30 days after  
2 such change.

3 (2) For the purpose of this section, a "primary agent"  
4 is the licensed agent who is responsible for the hiring and  
5 supervision of all individuals within an insurance agency  
6 location whether such individuals ~~who~~ deal with the public in  
7 the solicitation or negotiation of insurance contracts or in  
8 the collection or accounting of moneys from the general  
9 public. An agent may be designated as primary agent for only  
10 one insurance agency location.

11 (4) The department may suspend or revoke the license  
12 of the primary agent if the ~~an~~ insurance agency employs any  
13 person who has had a license denied or any person whose  
14 license is currently suspended or revoked. However, when a  
15 person has been denied a license for failure to pass a  
16 required examination, he or she may be employed to perform  
17 clerical or administrative functions for which licensure is  
18 not required.

19 (7) An ~~No~~ insurance agency location may not ~~shall~~  
20 conduct the business of insurance unless a primary agent is  
21 designated at all times. Failure to designate a primary agent,  
22 on a form prescribed by the department, within 30 days after  
23 agency inception or change of primary agent designation,  
24 constitutes ~~as required under this section shall constitute~~  
25 grounds for requiring that the agency obtain a license in  
26 accordance with ss. 626.112 and 626.172.

27 Section 28. Subsection (1) of section 626.601, Florida  
28 Statutes, is amended to read:

29 626.601 Improper conduct; inquiry; fingerprinting.--

30 (1) The department may, upon its own motion, and  
31 shall, upon a written complaint signed by any interested



1 person and filed with the department, inquire into any alleged  
2 improper conduct of any licensed agent, solicitor, adjuster,  
3 service representative, managing general agent, ~~or~~ claims  
4 investigator, title insurance agent, or title insurance agency  
5 under this code. The department may thereafter initiate an  
6 investigation of any such licensee if it has reasonable cause  
7 to believe that the licensee has violated any provision of the  
8 insurance code. During the course of its investigation, the  
9 department shall contact the licensee being investigated  
10 unless it determines that contacting such person could  
11 jeopardize the successful completion of the investigation or  
12 cause injury to the public.

13 Section 29. Section 626.611, Florida Statutes, is  
14 amended to read:

15 626.611 Grounds for compulsory refusal, suspension, or  
16 revocation of agent's, title agency's, solicitor's,  
17 adjuster's, customer representative's, service  
18 representative's, or managing general agent's, ~~or claims~~  
19 ~~investigator's~~ license or appointment.--The department shall  
20 deny an application for, suspend, revoke, or refuse to renew  
21 or continue the license or appointment of any applicant,  
22 agent, title agency, solicitor, adjuster, customer  
23 representative, service representative, or managing general  
24 agent, ~~or claims investigator,~~ and it shall suspend or revoke  
25 the eligibility to hold a license or appointment of any such  
26 person, if it finds that as to the applicant, licensee, or  
27 appointee any one or more of the following applicable grounds  
28 exist:

29 (1) Lack of one or more of the qualifications for the  
30 license or appointment as specified in this code.

31

1           (2) Material misstatement, misrepresentation, or fraud  
2 in obtaining the license or appointment or in attempting to  
3 obtain the license or appointment.

4           (3) Failure to pass to the satisfaction of the  
5 department any examination required under this code.

6           (4) If the license or appointment is willfully used,  
7 or to be used, to circumvent any of the requirements or  
8 prohibitions of this code.

9           (5) Willful misrepresentation of any insurance policy  
10 or annuity contract or willful deception with regard to any  
11 such policy or contract, done either in person or by any form  
12 of dissemination of information or advertising.

13           (6) If, as an adjuster, ~~claims investigator,~~ or agent  
14 licensed and appointed to adjust claims under this code, he or  
15 she has materially misrepresented to an insured or other  
16 interested party the terms and coverage of an insurance  
17 contract with intent and for the purpose of effecting  
18 settlement of claim for loss or damage or benefit under such  
19 contract on less favorable terms than those provided in and  
20 contemplated by the contract.

21           (7) Demonstrated lack of fitness or trustworthiness to  
22 engage in the business of insurance.

23           (8) Demonstrated lack of reasonably adequate knowledge  
24 and technical competence to engage in the transactions  
25 authorized by the license or appointment.

26           (9) Fraudulent or dishonest practices in the conduct  
27 of business under the license or appointment.

28           (10) Misappropriation, conversion, or unlawful  
29 withholding of moneys belonging to insurers or insureds or  
30 beneficiaries or to others and received in conduct of business  
31 under the license or appointment.

1           (11) Unlawfully rebating, attempting to unlawfully  
2 rebate, or unlawfully dividing or offering to divide his or  
3 her commission with another.

4           (12) Having obtained or attempted to obtain, or having  
5 used or using, a license or appointment as agent, customer  
6 representative, or solicitor for the purpose of soliciting or  
7 handling "controlled business" as defined in s. 626.730 with  
8 respect to general lines agents, s. 626.784 with respect to  
9 life agents, and s. 626.830 with respect to health agents.

10           (13) Willful failure to comply with, or willful  
11 violation of, any proper order or rule of the department or  
12 willful violation of any provision of this code.

13           (14) Having been found guilty of or having pleaded  
14 guilty or nolo contendere to a felony or a crime punishable by  
15 imprisonment of 1 year or more under the law of the United  
16 States of America or of any state thereof or under the law of  
17 any other country which involves moral turpitude, without  
18 regard to whether a judgment of conviction has been entered by  
19 the court having jurisdiction of such cases.

20           (15) Fraudulent or dishonest practice in submitting or  
21 aiding or abetting any person in the submission of an  
22 application for workers' compensation coverage under chapter  
23 440 containing false or misleading information as to employee  
24 payroll or classification for the purpose of avoiding or  
25 reducing the amount of premium due for such coverage.

26           Section 30. Section 626.621, Florida Statutes, is  
27 amended to read:

28           626.621 Grounds for discretionary refusal, suspension,  
29 or revocation of agent's, solicitor's, adjuster's, customer  
30 representative's, service representative's, or managing  
31 general agent's, ~~or claims investigator's~~ license or

1 appointment.--The department may, in its discretion, deny an  
2 application for, suspend, revoke, or refuse to renew or  
3 continue the license or appointment of any applicant, agent,  
4 solicitor, adjuster, customer representative, service  
5 representative, or managing general agent, ~~or claims~~  
6 ~~investigator~~, and it may suspend or revoke the eligibility to  
7 hold a license or appointment of any such person, if it finds  
8 that as to the applicant, licensee, or appointee any one or  
9 more of the following applicable grounds exist under  
10 circumstances for which such denial, suspension, revocation,  
11 or refusal is not mandatory under s. 626.611:

12 (1) Any cause for which issuance of the license or  
13 appointment could have been refused had it then existed and  
14 been known to the department.

15 (2) Violation of any provision of this code or of any  
16 other law applicable to the business of insurance in the  
17 course of dealing under the license or appointment.

18 (3) Violation of any lawful order or rule of the  
19 department.

20 (4) Failure or refusal, upon demand, to pay over to  
21 any insurer he or she represents or has represented any money  
22 coming into his or her hands belonging to the insurer.

23 (5) Violation of the provision against twisting, as  
24 defined in s. 626.9541(1)(1).

25 (6) In the conduct of business under the license or  
26 appointment, engaging in unfair methods of competition or in  
27 unfair or deceptive acts or practices, as prohibited under  
28 part X of this chapter, or having otherwise shown himself or  
29 herself to be a source of injury or loss to the public or  
30 detrimental to the public interest.

31

1           (7) Willful overinsurance of any property or health  
2 insurance risk.

3           (8) Having been found guilty of or having pleaded  
4 guilty or nolo contendere to a felony or a crime punishable by  
5 imprisonment of 1 year or more under the law of the United  
6 States of America or of any state thereof or under the law of  
7 any other country, without regard to whether a judgment of  
8 conviction has been entered by the court having jurisdiction  
9 of such cases.

10          (9) If a life agent, violation of the code of ethics.

11          (10) Cheating on an examination required for licensure  
12 or violating test center or examination procedures published  
13 orally, in writing, or electronically at the test site by  
14 authorized representatives of the examination program  
15 administrator. Communication of test center and examination  
16 procedures must be clearly established and documented.

17          (11) Failure to inform the department in writing  
18 within 30 days after pleading guilty or nolo contendere to, or  
19 being convicted or found guilty of, any felony or a crime  
20 punishable by imprisonment of 1 year or more under the law of  
21 the United States or of any state thereof, or under the law of  
22 any other country without regard to whether a judgment of  
23 conviction has been entered by the court having jurisdiction  
24 of the case.

25          (12) Knowingly aiding, assisting, procuring, advising,  
26 or abetting any person in the violation of or to violate a  
27 provision of the insurance code or any order or rule of the  
28 department.

29          Section 31. Subsections (2), (3), and (4) of section  
30 626.641, Florida Statutes, are amended to read:

31           626.641 Duration of suspension or revocation.--

1           (2) No person or appointee under any license or  
2 appointment revoked by the department, nor any person whose  
3 eligibility to hold same has been revoked by the department,  
4 shall have the right to apply for another license or  
5 appointment under this code within 2 years from the effective  
6 date of such revocation or, if judicial review of such  
7 revocation is sought, within 2 years from the date of final  
8 court order or decree affirming the revocation. The  
9 department shall not, however, grant a new license or  
10 appointment or reinstate eligibility to hold such license or  
11 appointment if it finds that the circumstance or circumstances  
12 for which the eligibility was revoked or for which the  
13 previous license or appointment was revoked still exist or are  
14 likely to recur; if an individual's license as agent, customer  
15 representative, or solicitor or eligibility to hold same has  
16 been revoked upon the ground specified in s. 626.611(12), the  
17 department shall refuse to grant or issue any new license or  
18 appointment so applied for.

19           (3) If licenses as agent, customer representative, or  
20 solicitor, or the eligibility to hold same, as to the same  
21 individual have been revoked at two separate times, the  
22 department shall not thereafter grant or issue any license  
23 under this code as to such individual.

24           (4) During the period of suspension or revocation of  
25 the license or appointment, the former licensee or appointee  
26 shall not engage in or attempt or profess to engage in any  
27 transaction or business for which a license or appointment is  
28 required under this code or directly or indirectly own,  
29 control, or be employed in any manner by any insurance agent  
30 or agency or adjuster or adjusting firm.

31

1           Section 32. Section 626.651, Florida Statutes, is  
2 amended to read:

3           626.651 Effect of suspension, revocation upon  
4 associated licenses and appointments and licensees and  
5 appointees.--

6           (1) Upon suspension, revocation, or refusal to renew  
7 or continue any one license of an agent, customer  
8 representative, or solicitor, or upon suspension or revocation  
9 of eligibility to hold a license or appointment, the  
10 department shall at the same time likewise suspend or revoke  
11 all other licenses, appointments, or status of eligibility  
12 held by the licensee or appointee under this code.

13           (2) In case of the suspension or revocation of license  
14 and appointments of any general lines agent, or in case of  
15 suspension or revocation of eligibility, the license and  
16 appointments of any ~~and all~~ other agents who are members of  
17 such agency, whether incorporated or unincorporated, and any  
18 ~~and all~~ solicitors or customer representatives employed by  
19 such agency, who knowingly are parties to the act which formed  
20 the ground for the suspension or revocation may likewise be  
21 suspended or revoked.

22           Section 33. Section 626.681, Florida Statutes, is  
23 amended to read:

24           626.681 Administrative fine in lieu of or in addition  
25 to suspension, revocation, or refusal of license or  
26 appointment.--

27           (1) Except as to insurance agencies, if the department  
28 finds that one or more grounds exist for the suspension,  
29 revocation, or refusal to issue, renew, or continue any  
30 license or appointment issued under this chapter, the  
31 department may, in its discretion, in lieu of or in addition

1 to such suspension ~~or~~ revocation, or in lieu of such refusal,  
2 and except on a second offense or when such suspension,  
3 revocation, or refusal is mandatory, impose upon the licensee  
4 or appointee an administrative penalty in an amount up to \$500  
5 or, if the department has found willful misconduct or willful  
6 violation on the part of the licensee or appointee, up to  
7 ~~\$3,500~~\$2,500. The administrative penalty may, in the  
8 discretion of the department, be augmented by an amount equal  
9 to any commissions received by or accruing to the credit of  
10 the licensee or appointee in connection with any transaction  
11 as to which the grounds for suspension, revocation, or refusal  
12 related.

13 (2) With respect to insurance agencies, if the  
14 department finds that one or more grounds exist for the  
15 suspension, revocation, or refusal to issue, renew, or  
16 continue any license issued under this chapter, the department  
17 may, in its discretion, in lieu of or in addition to such  
18 suspension ~~or~~ revocation, or in lieu of such refusal, impose  
19 upon the licensee an administrative penalty in an amount not  
20 to exceed \$10,000 per violation. The administrative penalty  
21 may, in the discretion of the department, be augmented by an  
22 amount equal to any commissions received by or accruing to the  
23 credit of the licensee in connection with any transaction as  
24 to which the grounds for suspension, revocation, or refusal  
25 related.

26 (3) The department may allow the licensee or appointee  
27 a reasonable period, not to exceed 30 days, within which to  
28 pay to the department the amount of the penalty so imposed.  
29 If the licensee or appointee fails to pay the penalty in its  
30 entirety to the department within the period so allowed, the  
31 license, ~~or~~ appointments, or status of the licensee or



1 appointee shall stand suspended or revoked or issuance,  
2 renewal, or continuation shall be refused, as the case may be,  
3 upon expiration of such period.

4 Section 34. Section 626.691, Florida Statutes, is  
5 amended to read:

6 626.691 Probation.--

7 (1) If the department finds that one or more grounds  
8 exist for the suspension, revocation, or refusal to renew or  
9 continue any license or appointment issued under this part,  
10 the department may, in its discretion, except when an  
11 administrative fine is not permissible under s. 626.681 or  
12 when such suspension, revocation, or refusal is mandatory, in  
13 lieu of or in addition to such suspension or revocation, or  
14 in lieu of such refusal, or in connection with any  
15 administrative monetary penalty imposed under s. 626.681,  
16 place the offending licensee or appointee on probation for a  
17 period, not to exceed 2 years, as specified by the department  
18 in its order.

19 (2) As a condition to such probation or in connection  
20 therewith, the department may specify in its order reasonable  
21 terms and conditions to be fulfilled by the probationer during  
22 the probation period. If during the probation period the  
23 department has good cause to believe that the probationer has  
24 violated a term or condition ~~such terms and conditions or any~~  
25 ~~of them~~, it shall suspend, revoke, or refuse to issue, renew,  
26 or continue the license or appointment of the probationer, as  
27 upon the original ~~ground or~~ grounds referred to in subsection  
28 (1).

29 Section 35. Section 626.692, Florida Statutes, is  
30 created to read:

31

1           626.692 Restitution.--If any ground exists for the  
2 suspension, revocation, or refusal of a license or  
3 appointment, the department may, in addition to any other  
4 penalty authorized under this chapter, order the licensee to  
5 pay restitution to any person who has been deprived of money  
6 by the licensee's misappropriation, conversion, or unlawful  
7 withholding of moneys belonging to insurers, insureds,  
8 beneficiaries, or others. In no instance shall the amount of  
9 restitution required to be paid under this section exceed the  
10 amount of money misappropriated, converted, or unlawfully  
11 withheld. Nothing in this section limits or restricts a  
12 person's right to seek other remedies as provided for by law.

13           Section 36. Section 626.727, Florida Statutes, is  
14 amended to read:

15           626.727 Scope of this part.--This part applies only ~~as~~  
16 to:

- 17           (1) General lines agents, as defined in s. 626.041;  
18           (2) Solicitors, as defined in s. 626.071; ~~and~~  
19           (3) Customer representatives as defined in s. 626.072;

20 and

21           (4)(3) Service representatives, as defined in s.  
22 626.081, or managing general agents, as defined in s. 626.091.

23           Section 37. Section 626.730, Florida Statutes, is  
24 amended to read:

25           626.730 Purpose of license.--

26           (1) The purpose of a license issued under this code to  
27 a general lines agent, customer representative, or solicitor  
28 is to authorize and enable the licensee actively and in good  
29 faith to engage in the insurance business as such an agent,  
30 customer representative, or solicitor with respect to the  
31 ~~general~~ public and to facilitate the public supervision of

1 such activities in the public interest, and not for the  
2 purpose of enabling the licensee to receive a rebate of  
3 premium in the form of commission or other compensation as an  
4 agent, customer representative, or solicitor or enabling the  
5 licensee to receive commissions or other compensation based  
6 upon insurance solicited or procured by or through him or her  
7 upon his or her own interests or those of other persons with  
8 whom he or she is closely associated in capacities other than  
9 that of insurance agent, customer representative, or  
10 solicitor.

11 (2) The department shall not grant, renew, continue,  
12 or permit to exist any license or appointment as such agent,   
13 customer representative, or solicitor as to any applicant  
14 therefor or licensee or appointee thereunder if it finds that  
15 the license or appointment has been, is being, or will  
16 probably be used by the applicant, or licensee, or appointee  
17 for the purpose of securing rebates or commissions on  
18 "controlled business," that is, on insurance written on his or  
19 her own interests or those of his or her family or of any  
20 firm, corporation, or association with which he or she is  
21 associated, directly or indirectly, or in which he or she has  
22 an interest other than as to the insurance thereof.

23 Section 38. Subsection (3) of section 626.732, Florida  
24 Statutes, is amended to read:

25 626.732 Requirement as to knowledge, experience, or  
26 instruction.--

27 (3) An individual who was or became qualified to sit  
28 for an agent's, customer representative's, or adjuster's  
29 examination at or during the time he or she was employed by  
30 the department and who, while so employed, was employed in  
31 responsible insurance duties as a full-time bona fide employee

1 shall be permitted to take an examination if application for  
2 such examination is made within 90 days after the date of  
3 termination of his or her employment with the department.

4 Section 39. Section 626.733, Florida Statutes, is  
5 amended to read:

6 626.733 Agency firms and corporations; special  
7 requirements.--If a sole proprietorship, partnership,  
8 corporation, or association holds an agency contract, all  
9 members thereof who solicit, negotiate, or effect insurance  
10 contracts, and all officers and stockholders of the  
11 corporation who solicit, negotiate, or effect insurance  
12 contracts, are required to qualify and be licensed  
13 individually as agents, solicitors, or customer  
14 representatives; and all of such agents must be individually  
15 appointed as to each property and casualty insurer entering  
16 into an agency contract with such agency. Each such  
17 appointing insurer as soon as known to it shall comply with  
18 this section and shall determine and require that each agent  
19 so associated in or so connected with such agency is likewise  
20 appointed as to the same such insurer and for the same type  
21 and class of license. However, no insurer is required to  
22 comply with the provisions of this section if such insurer  
23 satisfactorily demonstrates to the department that the insurer  
24 has issued an aggregate net written premium, in an agency, in  
25 an amount of \$25,000 or less.

26 Section 40. Subsection (2) of section 626.7351,  
27 Florida Statutes, is amended to read:

28 626.7351 Qualifications for customer representative's  
29 license.--The department shall not grant or issue a license as  
30 customer representative to any individual found by it to be  
31

1 untrustworthy or incompetent, or who does not meet each of the  
2 following qualifications:

3       (2)(a) The applicant is a bona fide resident of this  
4 state and will actually reside in the state at least 6 months  
5 out of the year. An individual who is a bona fide resident of  
6 this state shall be deemed to meet the residence requirements  
7 of this subsection, notwithstanding the existence at the time  
8 of application for license of a license in his or her name on  
9 the records of another state as a resident licensee of the  
10 other state, if the applicant furnishes a letter of clearance  
11 satisfactory to the department that the resident licenses have  
12 been canceled or changed to a nonresident basis and that he or  
13 she is in good standing.

14       (b) The applicant is a resident of another state  
15 sharing a common boundary with this state and has been  
16 employed in this state for a period of not less than 6 months  
17 by a Florida resident general lines agent licensed and  
18 appointed under this chapter. The applicant licensed under  
19 this subsection must meet all other requirements as described  
20 in this chapter and must, under the direct supervision of a  
21 licensed and appointed Florida resident general lines agent,  
22 conduct business solely within the confines of the office of  
23 the agent or agency whom he or she represents in this state.

24       Section 41. Subsection (1) of section 626.739, Florida  
25 Statutes, is amended to read:

26       626.739 Temporary license; death, disability, absence  
27 of agent.--

28       (1) The department may, in its discretion, issue a  
29 temporary license authorizing appointment as a general lines  
30 insurance ~~as~~ agent to a licensed agent's employee, family  
31 member, business associate, or personal representative for the

1 purpose of continuing or winding up the business affairs of  
2 the agent or agency, ~~all~~ subject to the following conditions:

3 (a) The agent ~~so~~ being replaced must have died ~~become~~  
4 ~~deceased~~ or become unable to perform his or her duties as  
5 agent because of military service or illness or other physical  
6 or mental disability.

7 (b) ~~There must be~~ No other person connected with the  
8 agent's business ~~who~~ is licensed as a general lines agent.

9 (c) The proposed temporary licensee is ~~must be~~  
10 qualified ~~as~~ for a regular general lines agent's license under  
11 this code except as to residence, examination, education, or  
12 experience.

13 (d) Application for the temporary license has been  
14 ~~must be~~ made by the applicant upon statements and affidavit  
15 filed with the department on forms ~~as~~ prescribed and furnished  
16 by it.

17 (e) The temporary license must ~~shall~~ be ~~issued and be~~  
18 valid for 4 months and may ~~shall~~ not be renewed either to the  
19 then holder of the temporary license or to any other person  
20 for or on behalf of the agent or agency.

21 (f) Under a temporary license and appointment the  
22 licensee does ~~shall~~ not represent as agent any insurer not  
23 last represented by the agent ~~so~~ being replaced, and is not  
24 ~~nor be~~ licensed or appointed as to any additional kind or  
25 classification of insurance than those covered by the last  
26 existing agency appointments of the replaced agent, except  
27 that, if during the temporary license period an insurer  
28 withdraws from the agency, the temporary licensee may be  
29 appointed by another like insurer only for the period  
30 remaining under the temporary license.

31

1 (g) The holder of a temporary license may be granted a  
2 regular agent's license upon taking and successfully  
3 completing a classroom course or correspondence course in  
4 insurance or having the insurance employment experience as  
5 prescribed in s. 626.732 and passing an examination as  
6 required by s. 626.221.

7 Section 42. Subsections (1) and (2) of section  
8 626.741, Florida Statutes, are amended, present subsection (5)  
9 of that section is renumbered as subsection (7), and new  
10 subsections (5) and (6) are added to that section, to read:

11 626.741 Nonresident agents; licensing and  
12 restrictions.--

13 (1) The department may, upon written application and  
14 the payment of the fees as specified in s. 624.501, issue a  
15 license as:

16 (a) A general lines agent to an individual who is  
17 otherwise qualified therefor, but who is not a resident of  
18 this state, if by the laws of the state of the individual's  
19 residence, residents of this state may be licensed in like  
20 manner as a nonresident agent of his state.

21 (b) A customer representative to an individual who is  
22 otherwise qualified therefor, who is not a resident of this  
23 state, but who is a resident of a state that shares a common  
24 boundary with this state.

25 (2) The department shall not, however, issue any  
26 license and appointment to any nonresident who has an office  
27 or place of business in this state, or who has any direct or  
28 indirect pecuniary interest in any insurance agent, insurance  
29 agency, or in any solicitor licensed as a resident of this  
30 state; nor to any individual who does not, at the time of  
31 issuance and throughout the existence of the Florida license,

1 hold a license as agent or broker issued by the state of his  
2 or her residence; nor to any individual who is employed by any  
3 insurer as a service representative or who is a managing  
4 general agent in any state, whether or not also licensed in  
5 another state as an agent or broker. The foregoing  
6 requirement to hold a similar license in the applicant's state  
7 of residence does not apply to customer representatives unless  
8 the home state licenses residents of that state in a like  
9 manner. The prohibition against having an office or place of  
10 business in this state does not apply to customer  
11 representatives who are required to conduct business solely  
12 within the confines of the office of a licensed and appointed  
13 Florida resident general lines agent in this state.The  
14 department shall have discretion to refuse to issue any  
15 license or appointment to a nonresident when it has reason to  
16 believe that the applicant by ruse or subterfuge is attempting  
17 to avoid the intent and prohibitions contained in this  
18 subsection or to believe that any of the grounds exist as for  
19 suspension or revocation of license as set forth in ss.  
20 626.611 and 626.621.

21 (5) Any individual who holds a Florida nonresident  
22 agent's license, upon becoming a resident of this state may,  
23 for a period not to exceed 90 days, continue to transact  
24 insurance in this state under the nonresident license and  
25 appointment. Such individual must make application for  
26 resident licensure and must become licensed as a resident  
27 agent within 90 days of becoming a resident of this state.

28 (6) Upon becoming a resident of this state, an  
29 individual who holds a Florida nonresident agent's license is  
30 no longer eligible for licensure as a nonresident agent if  
31 such individual fails to make application for a resident



1 license and become licensed as a resident agent within 90  
2 days. His license and any appointments shall be canceled  
3 immediately. He may apply for a resident license pursuant to  
4 s. 626.731.

5 (7)(5) Except as provided in this section and ss.  
6 626.742 and 626.743, nonresident agents shall be subject to  
7 the same requirements as apply to agents resident in this  
8 state.

9 Section 43. Present subsection (7) of section 626.792,  
10 Florida Statutes, is renumbered as subsection (8) and amended,  
11 and a new subsection (7) is added to that section, to read:

12 626.792 Nonresident agents.--

13 (7) Any individual who holds a Florida nonresident  
14 agent's license, upon becoming a resident of this state may,  
15 for a period not to exceed 90 days, continue to transact  
16 insurance in this state under the nonresident license and  
17 appointment. Such individual must make application for  
18 resident licensure and must become licensed as a resident  
19 agent within 90 days after becoming a resident of this state.

20 (8)(7) Upon becoming a resident of this state, an  
21 individual who holds a Florida nonresident agent's license is  
22 no longer eligible for licensure as a nonresident agent if  
23 such individual fails to make application for a resident  
24 license and become licensed as a resident agent within 90  
25 days. ~~and~~ His license and any appointments shall be canceled  
26 immediately. He may apply for a resident license pursuant to  
27 s. 626.785.

28 Section 44. Present subsection (7) of section 626.835,  
29 Florida Statutes, is renumbered as subsection (8) and amended,  
30 and a new subsection (7) is added to that section, to read:

31 626.835 Nonresident agents.--

1           (7) Any individual who holds a Florida nonresident  
2 agent's license, upon becoming a resident of this state may,  
3 for a period not to exceed 90 days, continue to transact  
4 insurance in this state under the nonresident license and  
5 appointment. Such individual must make application for  
6 resident licensure and must become licensed as a resident  
7 agent within 90 days of becoming a resident of this state.

8           ~~(8)(7)~~ Upon becoming a resident of this state, an  
9 individual who holds a Florida nonresident agent's license is  
10 no longer eligible for licensure as a nonresident agent if  
11 such individual fails to make application for a resident  
12 license and become licensed as a resident agent within 90  
13 days. ~~and~~ His or her license and any appointments shall be  
14 canceled immediately. The individual may apply for a resident  
15 license pursuant to s. 626.831.

16           Section 45. Subsection (1) of section 626.837, Florida  
17 Statutes, is amended to read:

18           626.837 Excess or rejected business.--

19           (1) A licensed health agent may place excess or  
20 rejected risks within the class of business for which he or  
21 she is licensed and appointed, and which the insurer  
22 appointing the agent is authorized to transact, with any other  
23 authorized insurer without being required to secure an  
24 appointment as to such other insurer, but subject to the  
25 agent's agreement with the insurer appointing ~~licensing~~ him or  
26 her.

27           Section 46. Paragraph (a) of subsection (2) of section  
28 626.8411, Florida Statutes, is amended to read:

29           626.8411 Application of Florida Insurance Code  
30 provisions to title insurance agents or agencies.--

31

1           (2) The following provisions of part I do not apply to  
2 title insurance agents or title insurance agencies:

3           (a) Section 626.112~~(7)(8)~~, relating to licensing of  
4 insurance agencies.

5           Section 47. Paragraph (a) of subsection (3) of section  
6 626.8417, Florida Statutes, is amended to read:

7           626.8417 Title insurance agent's license; application  
8 and qualification; errors and omissions insurance; bond and  
9 deposit requirements; exemptions.--

10          (3) The department shall not grant or issue a license  
11 as title agent to any individual found by it to be  
12 untrustworthy or incompetent, who does not meet the  
13 qualifications for examination specified in s. 626.8414, or  
14 who does not meet the following qualifications:

15          (a) Within the 4 years immediately preceding the date  
16 of the application for license, the applicant must have  
17 completed a 40-hour classroom course in title insurance, as  
18 approved by the department, or must have had at least 12  
19 months of experience in responsible title insurance duties,  
20 while working in the title insurance business as a  
21 substantially full-time, bona fide employee of a title agency,  
22 title agent, or title insurer, or attorney who conducts real  
23 estate closing transactions and issues title insurance  
24 policies but who is exempt from licensure pursuant to  
25 paragraph (4)(a). If an applicant's qualifications are based  
26 upon the periods of employment at responsible title insurance  
27 duties, the applicant must submit, with the application for  
28 license on a form prescribed by the department, the affidavit  
29 of the applicant and of the employer setting forth the period  
30 of such employment, that the employment was substantially full

31

1 time, and giving a brief abstract of the nature of the duties  
2 performed by the applicant.

3 Section 48. Subsection (2) of section 626.8418,  
4 Florida Statutes, is amended to read:

5 626.8418 Application for title insurance agency  
6 license.--Prior to doing business in this state as a title  
7 insurance agency, a title insurance agency must meet all of  
8 the following requirements:

9 (2) The applicant must have deposited with the  
10 department securities of the type eligible for deposit under  
11 s. 625.52 and having at all times a market value of not less  
12 than \$35,000. In place of such deposit, the title insurance  
13 agency may post a surety bond of like amount payable to the  
14 department for the benefit of any appointing insurer damaged  
15 by a violation by the title insurance agency of its contract  
16 with the appointing insurer. If a properly documented claim  
17 on the bond is timely filed with the department by a damaged  
18 title insurer or insured, the department may shall remit an  
19 appropriate amount of the deposit or the proceeds that are  
20 received from the surety in payment of the claim damaged  
21 insurer making claim on the bond. The required deposit or  
22 bond must be made by the title insurance agency, and a title  
23 insurer may not provide the deposit or bond directly or  
24 indirectly on behalf of the title insurance agency. The  
25 deposit or bond must secure the performance by the title  
26 insurance agency of its duties and responsibilities under the  
27 issuing agency contracts with each title insurer underwriter  
28 for which it is appointed. The agency may exchange or  
29 substitute other securities of like quality and value for  
30 securities on deposit, may receive the interest and other  
31 income accruing on such securities, and may inspect the

1 deposit at all reasonable times. Such deposit or bond must  
2 remain unimpaired as long as the title insurance agency  
3 continues in business in this state and until 1 year after  
4 termination of all title insurance agency appointments  
5 ~~licenses~~ held by the title insurance agency. The title  
6 insurance agency is entitled to the return of the deposit or  
7 bond together with accrued interest after such year has  
8 passed, if no claim has been made against the deposit or bond.  
9 If a surety bond is unavailable generally, the department may  
10 adopt rules for alternative methods to comply with this  
11 subsection. With respect to such alternative methods for  
12 compliance, the department must be guided by the past business  
13 performance and good reputation and character of the proposed  
14 title insurance agency. A surety bond is deemed to be  
15 unavailable generally if the prevailing annual premium exceeds  
16 25 percent of the principal amount of the bond.

17 Section 49. Section 626.8437, Florida Statutes, is  
18 amended to read:

19 626.8437 Grounds for compulsory refusal, suspension,  
20 or revocation of license or appointment.--The department shall  
21 deny, suspend, revoke, or refuse to renew or continue the  
22 license or appointment of any title insurance agent or agency,  
23 and it shall suspend or revoke the eligibility to hold a  
24 license or appointment of such person, if it finds that as to  
25 the applicant, licensee, appointee, or any principal thereof,  
26 any one or more of the following grounds exist:

27 (1) Lack of one or more of the qualifications for the  
28 license or appointment as specified in ss. ~~s.~~626.8417,  
29 626.8418, and 626.8419.

30  
31

1           (2) Material misstatement, misrepresentation, or fraud  
2 in obtaining, or attempting to obtain, the license or  
3 appointment.

4           (3) Willful misrepresentation of any title insurance  
5 policy, guarantee of title, binder, or commitment, or willful  
6 deception with regard to any such policy, guarantee, binder,  
7 or commitment, done either in person or by any form of  
8 dissemination of information or advertising.

9           (4) Demonstrated lack of fitness or trustworthiness to  
10 represent a title insurer in the issuance of its commitments,  
11 binders, policies of title insurance, or guarantees of title.

12           (5) Demonstrated lack of reasonably adequate knowledge  
13 and technical competence to engage in the transactions  
14 authorized by the license or appointment.

15           (6) Fraudulent or dishonest practices in the conduct  
16 of business under the license or appointment.

17           (7) Misappropriation, conversion, or unlawful  
18 withholding of moneys belonging to title insurers or insureds  
19 or others and received in conduct of business under the  
20 license or appointment.

21           (8) Unlawful rebating, or attempting to unlawfully  
22 rebate, or unlawfully dividing, or offering to unlawfully  
23 divide, title insurance premiums, fees, or charges with  
24 another, as prohibited by s. 626.9541(1)(h)3.

25           (9) Willful failure to comply with, or willful  
26 violation of, any proper order or rule of the department or  
27 willful violation of any provision of this act.

28           (10) The licensee if an individual, or the partners if  
29 a partnership, or owner if a sole proprietorship, or the  
30 officers if a corporation, having been found guilty of or  
31 having pleaded guilty or nolo contendere to a felony or a

1 crime punishable by imprisonment of 1 year or more under the  
2 law of the United States or of any state or under the law of  
3 any other country which involves moral turpitude, without  
4 regard to whether a judgment of conviction has been entered by  
5 the court having jurisdiction of such cases.

6 Section 50. Section 626.844, Florida Statutes, is  
7 amended to read:

8 626.844 Grounds for discretionary refusal, suspension,  
9 or revocation of license or appointment.--The department may,  
10 in its discretion, deny, suspend, revoke, or refuse to renew  
11 or continue the license or appointment of any title insurance  
12 agent or agency, and it may suspend or revoke the eligibility  
13 to hold a license or appointment of any such title insurance  
14 agent or agency ~~person~~ if it finds that as to the applicant or  
15 licensee or appointee, or any principal thereof, any one or  
16 more of the following grounds exist under circumstances for  
17 which such denial, suspension, revocation, or refusal is not  
18 mandatory under s. 626.8437:

19 (1) Any cause for which issuance of the license or  
20 appointment could have been refused had it then existed and  
21 been known to the department.

22 (2) Violation of any provision of this act in the  
23 course of dealing under the license or appointment.

24 (3) Violation of any lawful order or rule of the  
25 department.

26 (4) Failure or refusal upon demand to pay over to any  
27 title insurer that the appointee represents or has represented  
28 any money coming into the hands of such appointee and  
29 belonging to the title insurer.

30 (5) Engaging in unfair methods of competition or in  
31 unfair or deceptive acts or practices in the conduct of

1 business, as prohibited under part X of this chapter, or  
2 having otherwise shown himself or herself to be a source of  
3 injury or loss to the public or to be detrimental to the  
4 public interest.

5 (6) The licensee if an individual, or the partners if  
6 a partnership, or owner if a sole proprietorship, or the  
7 officers if a corporation, having been found guilty of or  
8 having pleaded guilty or nolo contendere to a felony or a  
9 crime punishable by imprisonment of 1 year or more under the  
10 law of the United States or of any state or under the law of  
11 any other country, without regard to whether a judgment of  
12 conviction has been entered by the court having jurisdiction  
13 of such cases.

14 Section 51. Subsections (1), (3), and (4) of section  
15 626.8443, Florida Statutes, are amended to read:

16 626.8443 Duration of suspension or revocation.--

17 (1) The department shall, in its order suspending a  
18 title insurance agent's or agency's license or appointment or  
19 in its order suspending the eligibility of a person to hold or  
20 apply for such license or appointment, specify the period  
21 during which the suspension is to be in effect, but such  
22 period shall not exceed 1 year. The license, or appointment,  
23 or eligibility shall remain suspended during the period so  
24 specified, subject, however, to any rescission or modification  
25 of the order by the department, or modification or reversal  
26 thereof by the court, prior to expiration of the suspension  
27 period. A license, ~~and~~ appointment, or eligibility which has  
28 been suspended may not be reinstated except upon request for  
29 such reinstatement, but the department shall not grant such  
30 reinstatement if it finds that the circumstance or

31



1 | circumstances for which the license, appointment, and  
2 | eligibility was suspended still exist or are likely to recur.

3 |         (3) If licenses of any person as a title insurance  
4 | agent or agency has ~~have~~ been revoked twice, the department  
5 | shall not thereafter grant or issue a title insurance agent's  
6 | or agency's license to such person.

7 |         (4) During the period of suspension or after  
8 | revocation of the license and appointment, the former licensee  
9 | shall not engage in or attempt to profess to engage in any  
10 | transaction or business for which a license or appointment is  
11 | required under this code or directly or indirectly own,  
12 | control, or be employed in any manner by any insurance agent  
13 | or agency or adjuster or adjusting firm ~~act~~.

14 |         Section 52. Subsections (1) and (2) of section  
15 | 626.852, Florida Statutes, are amended to read:

16 |             626.852 Scope of this part.--

17 |             (1) This part applies only ~~as~~ to insurance adjusters  
18 | ~~and claims investigators~~ as defined hereinafter in this part  
19 | ~~defined~~.

20 |             (2) Unless otherwise required by context, the term  
21 | "adjusters" as used in this part applies to all licensees  
22 | defined ~~herein~~ as any type of adjuster ~~or as a claims~~  
23 | ~~investigator~~.

24 |         Section 53. Subsection (5) of section 626.869, Florida  
25 | Statutes, is amended to read:

26 |             626.869 License, adjusters.--

27 |             (5) Any person holding a license for 24 consecutive  
28 | months or longer ~~and appointment~~ and who engages in adjusting  
29 | workers' compensation insurance must, beginning in their birth  
30 | month in 1993 and every 2 years thereafter, have completed 24  
31 | hours of courses, 2 hours of which relate to ethics, in

1 ~~subjects shall certify to the department every 2 years, at~~  
2 ~~least 90 days prior to the renewal date of his or her~~  
3 ~~appointment, the fact that the licensee has completed a course~~  
4 ~~of instruction designed to inform the licensee regarding as to~~  
5 the current workers' compensation laws of this state, so as to  
6 enable him or her to engage in ~~such~~ business as a workers'  
7 compensation insurance adjuster fairly and without injury to  
8 the public and to adjust all claims in accordance with the  
9 policy or contract and the workers' compensation laws of this  
10 state. In order to qualify as an eligible course under this  
11 subsection, the course must shall:

12 (a) Have a ~~Consist of 24 hours of classroom~~  
13 ~~instruction in the workers' compensation laws and practices of~~  
14 ~~this state, 2 hours of which shall relate to ethics, with the~~  
15 course outline approved by the department. ~~It is not required~~  
16 ~~that the 24 hours of classroom instruction take place in one~~  
17 ~~course.~~

18 (b) Be taught at a school training facility or other  
19 location approved by the department.

20 (c) Be taught by instructors with at least 5 years of  
21 experience in the area of workers' compensation, general lines  
22 of insurance, or other persons approved by the department.  
23 However, a member of The Florida Bar is ~~shall be~~ exempt from  
24 the 5 years' experience requirement.

25 (d) Furnish the attendee a certificate of completion.  
26 The ~~sponsor of the~~ course provider shall send a roster copy ~~of~~  
27 ~~the certificate of completion~~ to the department in a format  
28 prescribed by the department.

29 Section 54. Section 626.8695, Florida Statutes, is  
30 amended to read:

31 626.8695 Primary adjuster.--

1           (1) ~~On or before January 1, 1993, and annually~~  
2 ~~thereafter,~~Each person operating an adjusting firm and each  
3 location of a multiple location adjusting firm must designate  
4 a primary adjuster for each such firm or location and must  
5 file with the department the name of such primary adjuster and  
6 the address of the firm or location where he or she is the  
7 primary adjuster, on a form approved by the department. The  
8 designation of the primary adjuster may be changed at the  
9 option of the adjusting firm. Any such change is effective  
10 upon notification to the department. Notice of change must be  
11 sent to the department within 30 days after such change.

12           (2)(a) For purposes of this section, a "primary  
13 adjuster" is the licensed adjuster who is responsible for the  
14 hiring and supervision of all individuals within an adjusting  
15 firm location who deal with the public and who acts in the  
16 capacity of a public adjuster as defined in s. 626.854, or an  
17 independent adjuster as defined in s. 626.855. An adjuster  
18 may be designated as a primary adjuster for only one adjusting  
19 firm location.

20           (b) For purposes of this section, an "adjusting firm"  
21 is a location where an independent or public adjuster is  
22 engaged in the business of insurance.

23           (3) The department may suspend or revoke the license  
24 of the primary adjuster if the ~~an~~ adjusting firm employs any  
25 person who has had a license denied or any person whose  
26 license is currently suspended or revoked. However, if a  
27 person has been denied a license for failure to pass a  
28 required examination, he or she may be employed to perform  
29 clerical or administrative functions for which licensure is  
30 not required.

31

1           (4) The primary adjuster in an unincorporated  
2 adjusting firm, or the primary adjuster in an incorporated  
3 adjusting firm in which no officer, director, or stockholder  
4 is an adjuster, is responsible and accountable for the acts of  
5 salaried employees under his or her direct supervision and  
6 control while acting on behalf of the adjusting firm. Nothing  
7 in this section renders any person criminally liable or  
8 subject to any disciplinary proceedings for any act unless the  
9 person personally committed or knew or should have known of  
10 the act and of the facts constituting a violation of this  
11 code.

12           (5) The department may suspend or revoke the license  
13 of any adjuster who is employed by a person whose license is  
14 currently suspended or revoked.

15           (6) An ~~No~~ adjusting firm location may not conduct the  
16 business of insurance unless a primary adjuster is designated.  
17 Failure of the person operating the adjusting firm to  
18 designate a primary adjuster for the firm, or for each  
19 location, as applicable, on a form prescribed by the  
20 department within 30 days after inception of the firm or  
21 change of primary adjuster designation, constitutes grounds  
22 for requiring the adjusting firm to obtain an adjusting firm  
23 license pursuant to s. 626.8696.

24           (7) Any adjusting firm may request, on a form  
25 prescribed by the department, verification from the department  
26 of any person's current licensure status. If a request is  
27 mailed to the department within 5 working days after the date  
28 an adjuster is hired, and the department subsequently notifies  
29 the adjusting firm that an employee's license is currently  
30 suspended, revoked, or has been denied, the license of the  
31 primary adjuster shall not be revoked or suspended if the

1 unlicensed person is immediately dismissed from employment as  
2 an adjuster with the firm.

3 Section 55. Subsection (5) is added to section  
4 626.872, Florida Statutes, to read:

5 626.872 Temporary license.--

6 (5) The department shall not issue a temporary license  
7 as an independent adjuster or as a company employee adjuster  
8 to any individual who has ever held such a license in this  
9 state.

10 Section 56. Section 626.873, Florida Statutes, is  
11 amended to read:

12 626.873 Nonresident adjusters.--

13 (1) The department shall, upon application therefor,  
14 issue a license to an applicant for a nonresident adjuster's  
15 license upon determining that the applicant has paid the  
16 applicable license fees required under s. 624.501 and:

17 (a)~~(1)~~ Is a currently licensed insurance adjuster in  
18 his or her home state, if such state requires a license.

19 (b)~~(2)~~ Is an employee of an insurer admitted to do  
20 business in this state.

21 (c)~~(3)~~ Does not maintain an office in this state for  
22 the purpose of adjusting losses in this state.

23 (d)~~(4)~~ Has filed a certificate or letter of  
24 authorization from the insurance department of his or her home  
25 state, if such state requires an adjuster to be licensed,  
26 stating that he or she holds a current license or  
27 authorization to adjust insurance losses. Such certificate or  
28 authorization must be signed by the insurance commissioner, or  
29 his or her deputy, of the adjuster's home state and must  
30 reflect whether or not the adjuster has ever had his or her  
31 license or authorization in the adjuster's home state

1 suspended or revoked and, if such is the case, the reason for  
2 such action.

3 (2) Any individual who holds a Florida nonresident  
4 adjuster's license, upon becoming a resident of this state  
5 may, for a period not to exceed 90 days, continue to adjust  
6 claims in this state under his or her nonresident license and  
7 appointment. Such individual must make application for  
8 resident licensure and must become licensed as a resident  
9 adjuster within 90 days of becoming a resident of this state.

10 (3) Upon becoming a resident of this state, an  
11 individual who holds a Florida nonresident adjuster's license  
12 is no longer eligible for licensure as a nonresident adjuster  
13 if such individual fails to make application for a resident  
14 license and become licensed as a resident adjuster within 90  
15 days. Such individual may apply for a resident license  
16 pursuant to s. 626.865, s. 626.866, or s. 626.867.

17 Section 57. Subsection (2) of section 626.875, Florida  
18 Statutes, is amended to read:

19 626.875 Office and records.--

20 (2) The records of the adjuster relating to a  
21 particular claim or loss shall be so retained in the  
22 adjuster's place of business for a period of not less than 3  
23 years ~~1 year~~ after completion of the adjustment. This  
24 provision shall not be deemed to prohibit return or delivery  
25 to the insurer or insured of documents furnished to or  
26 prepared by the adjuster and required by the insurer or  
27 insured to be returned or delivered thereto.

28 Section 58. Section 626.877, Florida Statutes, is  
29 amended to read:

30 626.877 Adjustments to comply with insurance contract  
31 and law.--Every adjuster ~~and claims investigator~~ shall adjust

1 or investigate every claim, damage, or loss made or occurring  
2 under an insurance contract, in accordance with the terms and  
3 conditions of the contract and of the applicable laws of this  
4 state.

5 Section 59. Paragraph (a) of subsection (1) of section  
6 626.916, Florida Statutes, is amended to read:

7 626.916 Eligibility for export.--

8 (1) No insurance coverage shall be eligible for export  
9 unless it meets all of the following conditions:

10 (a) The full amount of insurance required must not be  
11 procurable, after a diligent effort has been made by the  
12 producing agent to do so, from among the insurers authorized  
13 to transact and actually writing that kind and class of  
14 insurance in this state, and the amount of insurance exported  
15 shall be only the excess over the amount so procurable from  
16 authorized insurers. Surplus lines agents must verify that a  
17 diligent effort has been made by requiring a properly  
18 documented statement of diligent effort from the retail or  
19 producing agent. However, to be in compliance with the  
20 diligent effort requirement, the surplus lines agent's  
21 reliance must be reasonable under the particular circumstances  
22 surrounding the export of that particular risk. Reasonableness  
23 shall be assessed by taking into account factors which  
24 include, but are not limited to, a regularly conducted program  
25 of verification of the information provided by the retail or  
26 producing agent. Declinations must be documented on a  
27 risk-by-risk basis. The surplus lines agent must provide a  
28 copy of the producing agent's statement of diligent effort to  
29 the surplus lines insurer. If it is not possible to obtain the  
30 full amount of insurance required by layering the risk, it is  
31 permissible to export the full amount.

1           Section 60. Subsection (1) of section 626.922, Florida  
2 Statutes, is amended to read:

3           626.922 Evidence of the insurance; changes; penalty.--

4           (1) Upon placing a surplus lines coverage, the surplus  
5 lines agent shall promptly issue and deliver to the insured  
6 evidence of the insurance consisting either of the policy as  
7 issued by the insurer or, if such policy is not then  
8 available, a certificate, cover note, or other confirmation of  
9 insurance. Such document shall be executed or countersigned  
10 by the surplus lines agent and shall show the description and  
11 location of the subject of the insurance; coverage,  
12 conditions, and term of the insurance; the premium and rate  
13 charged and taxes collected from the insured; and the name and  
14 address of the insured and insurer. If the direct risk is  
15 assumed by more than one insurer, the document shall state the  
16 name and address and proportion of the entire direct risk  
17 assumed by each insurer. A surplus lines agent may not  
18 delegate the duty to issue any such document to producing  
19 general lines agents without prior written authority from the  
20 surplus lines insurer. A general lines agent may issue any  
21 such document only if the agent possesses a surplus lines  
22 agent license or has prior written authority from the surplus  
23 lines agent. The surplus lines agent must maintain copies of  
24 the authorization from the surplus lines insurer and the  
25 delegation to the producing general lines agent. The producing  
26 agent must maintain copies of the written delegation from the  
27 surplus lines agent and copies of any evidence of coverage or  
28 certificate of insurance which the producing agent issues or  
29 delivers. Any evidence of coverage issued by a producing agent  
30 pursuant to this section must include the name and address of  
31 the authorizing surplus lines agent.



1           Section 61. Section 626.928, Florida Statutes, is  
2 amended to read:

3           626.928 Surplus lines agent's bond.--Prior to issuance  
4 of license, the applicant shall file with the department, and  
5 thereafter for as long as any such license remains in effect,  
6 shall keep in force and unimpaired, a bond in favor of the  
7 department in the penal sum of not less than ~~\$50,000~~\$5,000,  
8 aggregate liability, with authorized corporate surety or  
9 sureties approved by the department. The department may, in  
10 its discretion, require a bond in a larger amount commensurate  
11 with the volume of surplus lines business transacted or to be  
12 transacted by a particular surplus lines agent. The bond  
13 shall be conditioned that the surplus lines agent will  
14 faithfully conduct business under the license in accordance  
15 with the provisions of the Surplus Lines Law and rules and  
16 regulations of the department for the effectuation thereof and  
17 that the licensee will promptly remit to the department the  
18 taxes as provided for by such law. No such bond shall be  
19 terminated unless not less than 30 days' prior written notice  
20 thereof is given the licensee and filed with the department.

21           Section 62. Subsections (4) and (7) of section  
22 626.927, Florida Statutes, are amended to read:

23           626.927 Licensing of surplus lines agent.--  
24           (4) License and appointment fees in the amount  
25 specified in s. 624.501 shall be paid to the department in  
26 advance. The license and appointment of a surplus lines agent  
27 continue in force until suspended, revoked, or otherwise  
28 terminated. The appointment of a surplus lines agent  
29 continues in force until suspended, revoked, or terminated,  
30 but is subject to biennial renewal or continuation by the  
31

1 licensee in accordance with procedures prescribed in s.  
2 626.381 for agents in general.

3 (7) Any individual who has been licensed by the  
4 department as a surplus lines agent as provided in this  
5 section may be subsequently appointed ~~licensed~~ without  
6 additional written examination if his or her application for  
7 appointment ~~license~~ is filed with the department within 24  
8 months next following the date of cancellation or expiration  
9 of the prior appointment ~~license~~. The department may, in its  
10 discretion, require any individual to take and successfully  
11 pass an examination as for original issuance of license as a  
12 condition precedent to the reinstatement ~~renewal~~ or  
13 continuation of the licensee's current license or  
14 reinstatement or continuation of the licensee's appointment.

15 Section 63. Subsections (1) and (2) of section  
16 626.9271, Florida Statutes, are amended to read:

17 626.9271 Temporary license; death, disability, absence  
18 of surplus lines agent.--

19 (1) The department may, in its discretion, issue a  
20 temporary license and appointment as a surplus lines agent to  
21 a licensed surplus lines agent's employee, family member,  
22 business associate, or personal representative for the purpose  
23 of continuing or winding up the business affairs of the  
24 surplus lines agent or agency, ~~all~~ subject to the following  
25 conditions:

26 (a) The surplus lines agent being replaced must have  
27 died ~~become deceased~~ or become unable to perform his or her  
28 duties as agent because of military service or illness or  
29 other physical or mental disability.

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1 (b) There must be no other person connected with the  
2 surplus lines agent's business who is licensed as a surplus  
3 lines agent.

4 (c) The proposed temporary licensee must be qualified  
5 ~~as~~ for a regular surplus lines agent's license under this code  
6 except as to residence, examination, education, or experience.

7 (d) Application for the temporary license and  
8 appointment must be made by the applicant upon statements and  
9 affidavit filed with the department on forms as prescribed and  
10 furnished by it.

11 (e) The temporary license and appointment shall be  
12 issued and be valid for a period of not over 4 months, and may  
13 ~~shall~~ not be renewed ~~either~~ to the ~~then~~ holder of the  
14 temporary license or to any other person for or on behalf of  
15 the surplus lines agent or agency.

16 (2) The applicant for a temporary license and  
17 appointment shall pay to the department, prior to the issuance  
18 thereof, the applicable license and appointment fees ~~fee as~~  
19 specified ~~therefor~~ in s. 624.501.

20 Section 64. Subsections (1) and (2) of section  
21 626.929, Florida Statutes, are amended to read:

22 626.929 Origination, acceptance, placement of surplus  
23 lines business.--

24 (1) A resident general lines agent while licensed and  
25 appointed as a surplus lines agent under this part may  
26 originate surplus lines business and may accept surplus lines  
27 business from any other originating Florida-licensed general  
28 lines agent appointed and licensed as to the ~~kind or~~ kinds of  
29 insurance involved and may compensate such agent therefor.

30 (2) A managing general agent while licensed and  
31 appointed as a surplus lines agent under this part may accept

1 and place solely such surplus lines business as is originated  
2 by a Florida-licensed general lines agent appointed and  
3 licensed as to the ~~kind or~~ kinds of insurance involved and may  
4 compensate such agent therefor.

5 Section 65. Subsections (1), (2), and (3) of section  
6 626.935, Florida Statutes, are amended to read:

7 626.935 Suspension, revocation, or refusal of surplus  
8 lines agent's license.--

9 (1) The department shall deny an application for,  
10 suspend, revoke, or refuse to renew the appointment license of  
11 a surplus lines agent and all other licenses and appointments  
12 held by the licensee under this code, upon any ~~one or more~~ of  
13 the following grounds:

14 (a) Removal of the licensee's office from the state.

15 (b) Removal of the accounts and records of his or her  
16 surplus lines business from this state during the period when  
17 such accounts and records are required to be maintained under  
18 s. 626.930.

19 (c) Closure of the licensee's office for a period of  
20 more than 30 consecutive days.

21 (d) Failure to make and file his or her quarterly  
22 reports when due as required by s. 626.931.

23 (e) Failure to pay the tax on surplus lines premiums,  
24 as provided for in this Surplus Lines Law.

25 (f) Failure to maintain the bond as required by s.  
26 626.928.

27 (g) Suspension, revocation, or refusal to renew or  
28 continue the license or appointment as a general lines agent,  
29 service representative, or managing general agent.

30 (h) Lack of qualifications as for an original surplus  
31 lines agent's license.

1 (i) Violation of this Surplus Lines Law.

2 (j) For any other applicable cause for which the  
3 license of a general lines agent could be suspended, revoked,  
4 or refused under s. 626.611.

5 (2) The department may, in its discretion, deny an  
6 application for, suspend, revoke, or refuse to renew the  
7 license or appointment of any surplus lines agent upon any  
8 applicable ground for which a general lines agent's license  
9 could be suspended, revoked, or refused under s. 626.621.

10 (3) In the suspension or revocation of, or the refusal  
11 to issue or renew, the license or appointment of a surplus  
12 lines agent, the department shall follow the same procedures,  
13 as applicable, as provided for suspension, revocation, or  
14 refusal of licenses of general lines agents, but subject to s.  
15 626.936 as to failure to file a quarterly report or pay the  
16 tax.

17 Section 66. Subsections (3) and (4) of section  
18 626.944, Florida Statutes, are amended to read:

19 626.944 Qualifications for health care risk  
20 managers.--

21 (3) The department shall issue a license and an  
22 appointment, beginning on June 1, 1986, to practice health  
23 care risk management to any applicant who qualifies under this  
24 section and submits the license and appointment fees ~~fee~~ as  
25 set forth in s. 624.501. Licenses and appointments shall be  
26 issued and canceled in the same manner as provided in part I  
27 of this chapter.

28 (4) The department shall renew a health care risk  
29 manager appointment ~~license~~ in accordance with procedures  
30 prescribed in s. 626.381 for agents in general.

31

1           Section 67. Subsection (3) of section 627.745, Florida  
2 Statutes, is amended and subsection (6) is added to that  
3 section to read:

4           627.745 Mediation of claims.--

5           (3)(a) The department shall approve ~~appoint~~ mediators  
6 to conduct mediations pursuant to this section. All mediators  
7 must file an application under oath for approval as a  
8 mediator.

9           (b) To qualify for approval ~~appointment~~ as a mediator,  
10 a person must ~~shall~~ meet the following qualifications:

11           1. Possess a masters or doctorate degree in  
12 psychology, counseling, business, accounting, or economics, be  
13 a member of The Florida Bar, be licensed as a certified public  
14 accountant, or demonstrate that the applicant for approval  
15 ~~appointment~~ has been actively engaged as a qualified mediator  
16 for at least 4 years prior to July 1, 1990.

17           2. Within 4 years immediately preceding the date the  
18 application for approval is filed with the department, have  
19 completed a minimum of a 40-hour training program approved by  
20 the department and successfully passed a final ~~an~~ examination  
21 included in the training program and approved by the  
22 department. The training program shall include and address  
23 all of the following:

- 24           a. Mediation theory.  
25           b. Mediation process and techniques.  
26           c. Standards of conduct for mediators.  
27           d. Conflict management and intervention skills.  
28           e. Insurance nomenclature.

29           (6) The department may designate an entity to  
30 administer the program specified by this section.

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1           Section 68. Subsection (13) of section 634.011,  
2 Florida Statutes, is amended to read:

3           634.011 Definitions.--As used in this part, the term:  
4           (13) "Salesperson" means any individual, dealership,  
5 corporation, partnership, or sole proprietorship employed or  
6 otherwise retained by an insurer or motor vehicle service  
7 agreement company for the purpose of selling or issuing motor  
8 vehicle service agreements.

9           Section 69. Section 634.171, Florida Statutes, is  
10 amended to read:

11           634.171 Salesperson to be licensed and  
12 appointed.--Salespersons for motor vehicle service agreement  
13 companies and insurers shall be licensed, appointed, renewed,  
14 continued, reinstated, or terminated as prescribed in chapter  
15 626 for insurance representatives in general. However, they  
16 shall be exempt from all other provisions of chapter 626  
17 including fingerprinting, photo identification, education, and  
18 examination provisions. License, appointment, and other fees  
19 shall be those prescribed in s. 624.501. A licensed and  
20 appointed salesperson shall be directly responsible and  
21 accountable for all acts of the licensed salesperson's ~~his or~~  
22 ~~her~~ employees and other representatives. Each service  
23 agreement company or insurer shall, on forms prescribed by the  
24 department, within 30 days after termination of the  
25 appointment, notify the department of such termination. No  
26 employee or salesperson of a motor vehicle service agreement  
27 company or insurer may directly or indirectly solicit or  
28 negotiate insurance contracts, or hold herself or himself out  
29 in any manner to be an insurance agent or solicitor, unless so  
30 qualified, licensed, and appointed therefor under the Florida  
31 Insurance Code.

1           Section 70. Section 634.317, Florida Statutes, is  
2 amended to read:

3           634.317 License and appointment required.--No person  
4 may solicit, negotiate, or effectuate home warranty contracts  
5 for remuneration in this state unless such person is licensed  
6 and appointed as a sales representative. A licensed and  
7 appointed sales representative shall be directly responsible  
8 and accountable for all acts of the licensee's employees.

9           Section 71. Section 634.420, Florida Statutes, is  
10 amended to read:

11           634.420 License and appointment of sales  
12 representatives.--Sales representatives for service warranty  
13 associations or insurers shall be licensed, appointed,  
14 renewed, continued, reinstated, or terminated in accordance  
15 with procedures as prescribed in chapter 626 for insurance  
16 representatives in general. However, they shall be exempt  
17 from all other provisions of chapter 626, including  
18 fingerprinting, photo identification, education, and  
19 examination. License, appointment, and other fees shall be  
20 those prescribed in s. 624.501. A licensed and appointed  
21 sales representative shall be directly responsible and  
22 accountable for all acts of the licensed sales  
23 representative's ~~her or his~~ employees or other  
24 representatives. Each service warranty association or insurer  
25 shall, on forms prescribed by the department, within 30 days  
26 after termination of the appointment, notify the department of  
27 such termination. No employee or sales representative of a  
28 service warranty association or insurer may directly or  
29 indirectly solicit or negotiate insurance contracts, or hold  
30 herself or himself out in any manner to be an insurance agent  
31



1 or solicitor, unless so qualified, licensed, and appointed  
2 therefor under the insurance code.

3 Section 72. Section 642.036, Florida Statutes, is  
4 amended to read:

5 642.036 Sales representatives to be licensed and  
6 appointed.--

7 ~~(1)~~ Sales representatives of legal expense insurers  
8 shall be licensed, appointed, renewed, continued, reinstated,  
9 or terminated as prescribed in chapter 626 for insurance  
10 representatives in general, and shall pay the license and  
11 appointment fees prescribed in s. 624.501. No employee or  
12 sales representative of an insurer may directly or indirectly  
13 solicit or negotiate insurance contracts, or hold herself or  
14 himself out in any manner to be an insurance agent or  
15 solicitor, unless so qualified, licensed, and appointed  
16 therefor under the insurance code.

17 ~~(2) Each casualty insurer shall, on or before March 1~~  
18 ~~of each odd-numbered year, file with the department the name~~  
19 ~~and business address of each licensed general lines agent or~~  
20 ~~solicitor who solicits, negotiates, sells, or executes legal~~  
21 ~~expense insurance contracts on behalf of the casualty insurer.~~

22 Section 73. Sections 626.532 and 626.857, Florida  
23 Statutes, are repealed.

24 Section 74. This act shall take effect October 1,  
25 1998.

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SENATE SUMMARY

Revises provisions of the Insurance Code relating to insurance agents, adjusters, customer representatives, and other insurance representatives. Clarifies license fees. Provides additional requirements and qualifications for certain licenses. Provides for additional administrative fines. Modifies definitions of certain classes of insurers. Authorizes the Department of Insurance to place certain persons on probation in addition to the suspension, revocation, or refusal of their licenses. Increases surplus lines agent's bond to \$50,000.

Increases the maximum fine that may be levied by the Department of Insurance against an insurance agent and other individuals licensed by the department from \$2,500 to \$3,500.