

By Senator Rossin

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A bill to be entitled
An act relating to insurance; requiring certain disclosures relating to insurance sold in connection with an extension of credit; providing disclosure requirements regarding the sale of life insurance and annuities by financial institutions; providing guidelines regarding the sale of insurance on the premises of a financial institution; requiring certain persons associated with financial institutions to be licensed; authorizing referral fees; repealing s. 626.988, F.S., relating to prohibition of insurance activities by persons employed or associated with financial institutions; providing an effective date.

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

Section 1. This act may be cited as "The Florida Insurance Consumers Protection Act."

Section 2. Choice of Insurance Provider.--Any insurance agent or agency that offers, solicits, or sells insurance in this state in connection with insurance required for a loan or extension of credit must disclose to customers that insurance may be purchased from an agent or insurance company of the customer's choice and that the customer's choice shall not affect the customer's credit relationship with the financial institution, including the decision to grant or to deny the application for a loan or extension of credit. For purposes of this section, loans and extension of

1 credit do not include financing in connection with the
2 insurance product being offered or sold.

3 Section 3. Disclosure of Investment Risk.--A financial
4 institution that sells or solicits life insurance and
5 annuities, or any licensed agent that sells or solicits life
6 insurance and annuities recommended or sponsored by a
7 financial institution, or that sells or solicits life
8 insurance and annuities on the premises of a financial
9 institution must disclose in writing to customers, including
10 in any advertisement or promotional material, and orally
11 during any customer contact, that any life insurance annuity
12 offered, recommended, sponsored, or sold:

13 (1) Is not a deposit;

14 (2) Is not insured by the Federal Deposit Insurance
15 Corporation;

16 (3) Is not guaranteed by any insured depository
17 institution; and

18 (4) Where appropriate, involves investment risk,
19 including potential loss of principle.

20 Section 4. Minimizing Confusion.--To the extent
21 practicable, sales of insurance on the premises of a financial
22 institution must take place in a manner that minimizes
23 customer confusion between deposit and credit products offered
24 by the financial institution and insurance products. A
25 financial institution may comply with this section if it uses
26 signs clearly visible to its customers that distinguish
27 insurance products from deposit and credit products.

28 Section 5. License Requirement.--A person associated
29 with a financial institution may not offer, solicit, or sell
30 insurance in this state unless that person has complied with
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1 all applicable state insurance licensing and appointment laws
2 and regulations.

3 Section 6. Referral Fees.--A referral fee may be paid
4 to a person not licensed to sell insurance if the person
5 provides no opinions or advice regarding insurance and the fee
6 is not based upon the consummation of an insurance
7 transaction.

8 Section 7. Section 626.988 is repealed.

9 Section 8. This act shall take effect upon becoming a
10 law.

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13 SENATE SUMMARY

14 Repeals a provision that prohibits insurance activities
15 by persons employed by or associated with financial
16 institutions, and establishes disclosure requirements and
17 other guidelines for the sale of insurance by such
18 persons. (See bill for details.)
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