

Bill No. SB 1460

Amendment No. ____

<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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Senator Diaz-Balart moved the following amendment:

Senate Amendment (with title amendment)

On page 8, between lines 18 and 19,

insert:

Section 10. Paragraph (e) of subsection (1) of section 626.321, Florida Statutes, is amended to read:

626.321 Limited licenses.--

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

(e) Credit life or disability insurance.--License covering only credit life or disability insurance. The license may be issued only to an individual employed by a life or health insurer as an officer or other salaried or commissioned representative, or to an individual employed by or associated with a lending or financing institution or creditor, and may authorize the sale of such insurance only with respect to

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1 borrowers or debtors of such lending or financing institution
2 or creditor. However, only the individual or entity whose tax
3 identification number is used in receiving or is credited with
4 receiving the commission from the sale of such insurance shall
5 be the licensed agent of the insurer. No individual while so
6 licensed shall hold a license as an agent or solicitor as to
7 any other or additional kind or class of life or health
8 insurance coverage. An entity ~~other than a lending or~~
9 ~~financial institution defined in s. 655.005(1)(g), (h), or (p)~~
10 holding a limited license under this paragraph ~~is~~ shall also
11 ~~be~~ authorized to sell credit insurance and credit property
12 insurance. An entity applying for a license under this
13 section:

14 1. Is required to submit only one application for a
15 license under s. 626.171, excluding the requirements of s.
16 626.171(5), provided that the entity is regulated by any of
17 the following federal or state agencies: Office of the
18 Comptroller of the Currency; the Securities and Exchange
19 Commission; or the Department of Banking and Finance.

20 2. Is not required to obtain a license or appointment
21 for each office, branch office, or place of business making
22 use of the entity's business name ~~by applying to the~~
23 ~~department for the license on a simplified form developed by~~
24 ~~rule of the department for this purpose.~~ However, the licensed
25 entity shall file with the department the address and
26 telephone number of each place of business at which credit
27 insurance is being marketed or sold. This information must be
28 filed annually by January 1 in an electronic format as
29 specified by the department by rule. The licensee is required
30 to file with the department, in the same specified electronic
31 format, any changes, additions, or deletions regarding each

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1 place of business marketing or selling credit insurance within
2 30 days after such change.

3 3. ~~Is not required to pay any additional application~~
4 ~~fees for a license issued to the offices or places of business~~
5 ~~referenced in subsection (2), but is required to pay the~~
6 ~~license fee as prescribed in s. 624.501, be appointed under s.~~
7 ~~626.112, and pay the prescribed appointment fee under s.~~
8 ~~624.501.~~ A copy of the license obtained under this paragraph
9 shall be posted at each the business location at for which
10 employees are selling insurance authorized under the entity
11 license it was issued so as to be readily visible to
12 prospective purchasers of such coverage.

13 Section 11. Subsection (1) of section 627.679, Florida
14 Statutes, is amended to read:

15 627.679 Amount of insurance; disclosure.--

16 (1)(a) The amount of credit life insurance written
17 under one or more policies shall not exceed by more than \$5
18 the total of the payments of the specific contracts of
19 indebtedness in connection with which it is written, when the
20 indebtedness is repayable in substantially equal installments
21 or in one installment or a single payment.

22 (b) The total amount of credit life insurance on the
23 life of any debtor with respect to any loan or loans covered
24 in one or more insurance policies shall at no time exceed
25 \$50,000 with any one creditor, except that loans not exceeding
26 1 year's duration shall not be subject to such limits, and on
27 such loans not exceeding 1 year's duration, the limits of
28 coverage shall not exceed \$50,000 with any one insurer.

29 (c) Before any credit life insurance may be sold, the
30 creditor agent or agent shall obtain a separate written
31 acknowledgment with respect to each of the following:

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1 1. That the borrower understands that he or she has
 2 the option of assigning any other policy or policies the
 3 borrower owns or may procure for the purpose of covering such
 4 loan and that the policy need not be purchased from the
 5 creditor agent in order to obtain the loan.

6 2. That the borrower understands that the credit life
 7 coverage may be deferred if, at the time of application, the
 8 borrower is unable to engage in employment or unable to
 9 perform normal activities of a person of like age and sex, if
 10 the proposed credit life insurance policy contains this
 11 restriction.

12 3. That the borrower understands that the benefits
 13 under the policy will terminate when the borrower reaches a
 14 certain age and that the borrower's age is accurately
 15 represented on the application or policy.

16
 17 Notwithstanding the required disclosures set forth in this
 18 paragraph, if the sale of credit life insurance is solicited
 19 or consummated telephonically, the creditor or agent shall
 20 provide the foregoing disclosures to the borrower within 30
 21 days from the date the coverage takes effect. The borrower
 22 shall be notified that he or she has 30 days from the date the
 23 disclosures are received to rescind the credit life insurance
 24 coverage.

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26 (Redesignate subsequent sections.)

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29 ===== T I T L E A M E N D M E N T =====

30 And the title is amended as follows:

31 On page 1, line 16, after the semicolon,

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1 insert:
2 amending s. 626.321, F.S.; authorizing
3 individuals and entities holding a credit life
4 or disability insurance license to sell credit
5 insurance; modifying requirements for
6 licensure; amending s. 627.679, F.S.; requiring
7 certain disclosures to be made within a
8 specified time upon the sale of credit life
9 insurance; allowing a borrower a specified time
10 from the date of such disclosures to rescind
11 the coverage;

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