

Amendment No. 1 (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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ORIGINAL STAMP BELOW

The Committee on Insurance offered the following:

Amendment (with title amendment)

Remove from the bill: Everything after the enacting clause
and insert in lieu thereof:

Section 1. Subsection (6) is added to section 386.205,
Florida Statutes, to read:

386.205 Designation of smoking areas.--

(6) Each state agency may adopt rules for
administering this section which take into consideration the
provisions of this part.

Section 2. Section 554.115, Florida Statutes, is
amended to read:

554.115 Disciplinary proceedings.--

(1) The department may suspend or revoke a certificate
of compliance upon proof that:

(a) The certificate has been obtained by fraud or
misrepresentation;

(b) The boiler for which the certificate was issued
cannot be operated safely; or

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1 (c) The person who received the certificate willfully
2 or deliberately violated the State Boiler Code or ss.
3 554.1011-554.115 or any rule adopted pursuant to ss.
4 554.1011-554.115.

5 (2) The department may suspend or revoke a certificate
6 of competency upon proof that:

7 (a) The certificate was obtained by fraud or
8 misrepresentation; ~~or~~

9 (b) The inspector to whom the certificate was issued
10 is no longer qualified under ss. 554.1011-554.115 to inspect
11 boilers; or-

12 (c) The inspector:

13 1. Operated a boiler at a public assembly location
14 without a valid certificate of compliance for that boiler;

15 2. Gave false or forged information to the department
16 or to another boiler inspector for the purpose of obtaining a
17 certificate of compliance;

18 3. Used a certificate of compliance for any boiler
19 other than the boiler for which it was issued;

20 4. Operated a boiler for which the certificate of
21 compliance has been suspended or revoked or has expired;

22 5. Inspected any boiler regulated under ss.
23 554.1011-554.115 without having obtained a valid certificate
24 of competency;

25 6. Operated a boiler that is in an unsafe condition;
26 or

27 7. Operated a boiler in a manner that is contrary to
28 the requirements of this chapter or any rule adopted under
29 this chapter.

30 (3) Each suspension of a certificate of compliance or
31 certificate of competency shall continue in effect until all

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1 violations have been corrected and, for boiler safety
2 violations, until the boiler has been inspected and shown to
3 be in a safe condition.

4 (4) A person in violation of this section who does not
5 have a valid certificate of competency shall be reported by
6 the chief inspector to the appropriate state attorney.

7 (5) A person in violation of this section who has a
8 valid certificate of competency is subject to administrative
9 action by the chief inspector.

10 (6) A revocation of a certificate of competency is
11 permanent and a revoked certificate of competency may not be
12 reinstated or a new certificate of competency issued to the
13 same person. A suspension of a certificate of competency
14 continues in effect until all violations have been corrected.
15 A suspension of a certificate of compliance for any boiler
16 safety violation continues in effect until the boiler has been
17 inspected by an authorized inspector and shown to be in safe
18 working condition.

19 Section 3. Section 624.4135, Florida Statutes, is
20 created to read:

21 624.4135 Redomestication.--The department shall adopt
22 rules establishing procedures and forms for a foreign insurer
23 to apply for a certificate of authority as a domestic insurer.

24 Section 4. Subsection (11) is added to section
25 625.305, Florida Statutes, to read:

26 625.305 Diversification.--

27 (11) Every domestic life insurance company which
28 issues variable annuity contracts shall be permitted to invest
29 and reinvest amounts received in connection with such variable
30 contracts in common stocks, subject to the following
31 limitations:

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1 (a) All such common stock investments shall be in
2 stock which is listed or admitted to trading on a securities
3 exchange located in the United States of America, or which is
4 publicly held and has been traded in the "over the counter
5 market" for not less than one year preceding the date of
6 purchase of such stock and as to which stock market quotations
7 have been readily available for such one year period.

8 (b) No domestic life insurance company which issues
9 variable annuity contracts shall invest more than five percent
10 of all of the amounts received in connection with such
11 contracts in the securities of any one corporation or insurer.

12 (c) No domestic life insurance company which issues
13 variable annuity contracts shall as a result of investing any
14 or all of the amounts received in connection with such
15 contracts, beneficially own or hold, together with the
16 investments permitted under s. 625.305(2)(a), more than
17 fifteen percent of the outstanding securities of any one
18 corporation or issuer. Any foreign life insurance company
19 which issues variable annuity contracts in this state and
20 which invests the amounts received in connection with such
21 contracts in accordance with the laws of its state of
22 domicile, shall be held to be in compliance with this section.

23 (d) No domestic life insurance company shall invest in
24 the common stock of any corporation if such investment shall
25 create a conflict of interest between officers and directors
26 of the investing company and those of the corporation whose
27 stock is purchased.

28 Section 5. Section 625.765, Florida Statutes, is
29 created to read:

30 625.765 Exemptions from ss. 625.75 and 625.76.--The
31 department may adopt by rule exemptions from ss. 625.75 and

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1 625.76 for transactions that are not subject to s. 628.461 and
2 that are the result of proceedings in probate, incompetency,
3 or bankruptcy; sales of securities by odd-lot securities
4 dealers; small transactions by gift which do not exceed \$3,000
5 over any 6-month period; transactions that are effected in
6 connection with the distribution of a substantial block of
7 securities; acquisitions of shares of stock and stock options
8 under a stock bonus plan, stock option plan, or similar plan;
9 securities acquired by redeeming other securities by an
10 insurer; consolidations or mergers of insurers that hold over
11 85 percent of the companies being merged or consolidated;
12 acquisitions or dispositions of an equity security involved in
13 the deposit of the security under, or the withdrawal of the
14 security from, a voting trust or deposit agreement; and
15 conversions of an insurer's equity securities into another
16 equity security of the same insurer. The department may limit
17 by rule the scope of exemptions and provide conditions for
18 exemptions as necessary to maintain the purpose and intent of
19 ss. 625.75 and 625.76 and prevent the circumvention of ss.
20 625.75 and 625.76.

21 Section 6. Section 626.2817, Florida Statutes, is
22 created to read:

23 626.2817 Regulation of course providers, instructors,
24 school officials, and monitor groups involved in prelicensure
25 education for insurance agents and other licensees.--

26 (1) Any course provider, instructor, school official,
27 or monitor group must be approved by and registered with the
28 department before offering prelicensure education courses for
29 insurance agents and other licensees.

30 (2) The department shall adopt rules establishing
31 standards for the approval, registration, discipline, or

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1 removal from registration of course providers, instructors,
2 school officials, and monitor groups. The standards must be
3 designed to ensure that course providers, instructors, school
4 officials, and monitor groups have the knowledge, competence,
5 and integrity to fulfill the educational objectives of the
6 prelicensure requirements of this chapter and chapter 648 and
7 to assure that insurance agents and licensees are competent to
8 engage in the activities authorized under the license.

9 (3) The department shall adopt rules to establish a
10 process for determining compliance with the prelicensure
11 requirements of this chapter and chapter 648 and shall
12 establish a prelicensure cycle for insurance agents and other
13 licensees. The department shall adopt rules prescribing the
14 forms necessary to administer the prelicensure requirements.

15 Section 7. Subsection (3) is added to section
16 626.7353, Florida Statutes, to read:

17 626.7353 Appointment of customer representatives.--

18 (3) The department shall prescribe by rule forms to
19 administer this section.

20 Section 8. Paragraph (c) of subsection (2) of section
21 627.062, Florida Statutes, is amended to read:

22 627.062 Rate standards.--

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

24 (c) In the case of fire insurance rates, consideration
25 shall be given to the availability of water supplies and the
26 experience of the fire insurance business during a period of
27 not less than the most recent 5-year period for which such
28 experience is available.

29
30 The provisions of this subsection shall not apply to workers'
31 compensation and employer's liability insurance and to motor

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1 vehicle insurance.

2 Section 9. Paragraph (a) of subsection (2) of section
3 627.429, Florida Statutes, is amended to read:

4 627.429 Medical tests for human immunodeficiency virus
5 infection and acquired immune deficiency syndrome for
6 insurance purposes.--

7 (2) SCOPE.--

8 (a) This section applies to all insurance policies,
9 and the underwriting thereof, which are issued in this state
10 or are issued outside this state pursuant to s. 627.5515 or s.
11 627.6515 covering residents of this state; to prepaid limited
12 health organizations; and to multiple-employer welfare
13 arrangements defined in s. 624.437. For the purposes of this
14 section, "insurer" includes authorized multiple-employer
15 welfare arrangements.

16 Section 10. Subsection (11) is added to section
17 627.481, Florida Statutes, to read:

18 627.481 Requirements for certain annuity agreements.--

19 (11) The department shall adopt rules and forms for
20 the filing of annual statements and agreements pertaining to
21 donor annuity organizations.

22 Section 11. Section 627.7276, Florida Statutes, is
23 created to read:

24 627.7276 Notice of limited coverage.--An automobile
25 policy that does not contain coverage for bodily injury and
26 property damage must be clearly stamped or printed to the
27 effect that such coverage is not included in the policy in the
28 following manner:

29
30 "THIS POLICY DOES NOT PROVIDE BODILY INJURY AND
31 PROPERTY DAMAGE LIABILITY INSURANCE OR ANY

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1 OTHER COVERAGE FOR WHICH A SPECIFIC PREMIUM
2 CHARGE IS NOT MADE, AND DOES NOT COMPLY WITH
3 ANY FINANCIAL RESPONSIBILITY LAW."
4

5 This legend must appear on the policy declaration page and on
6 the filing back of the policy and shall be printed in a
7 contrasting color from that used on the policy and in type
8 larger than the largest type used in the text thereof, either
9 as an overprint or by a rubber-stamp impression.

10 Section 12. Subsection (5) is added to section
11 627.7282, Florida Statutes, to read:

12 627.7282 Notice of additional premium; cancellation
13 upon nonpayment.--

14 (5) The department may adopt rules prescribing the
15 format of the notice.

16 Section 13. Section 627.796, Florida Statutes, is
17 created to read:

18 627.796 Errors and omissions policy requirements.--A
19 title insurance policy may not be issued from a search
20 performed by any person other than a title insurance agent, or
21 an employee of a title insurer or title insurance agency,
22 unless that person has in effect an errors and omissions
23 policy that has minimum coverage limits of \$250,000 and a
24 deductible that does not exceed \$10,000.

25 Section 14. Section 627.797, Florida Statutes, is
26 created to read:

27 627.797 Exempt agent list.--

28 (1) Every insurer shall file with the department a
29 list containing the name and address of each appointed agent
30 who is exempt from licensure under s. 626.8417(4) and who
31 issues or countersigns binders, commitments, title insurance

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1 policies, or guarantees of title.

2 (2) Each month thereafter, the insurer shall report to
3 the department the name and address of any nonlicensed agent
4 whose appointment is granted or terminated.

5 Section 15. Section 627.798, Florida Statutes, is
6 created to read:

7 627.798 Rulemaking authority.--The department shall by
8 rule adopt a form to be used to provide notice to a
9 purchaser-mortgagor that the purchaser-mortgagor is not
10 protected by the title policy of the mortgagee.

11 Section 16. Section 627.8405, Florida Statutes, is
12 amended to read:

13 627.8405 Prohibited acts; financing companies.--No
14 premium finance company shall, in a premium finance agreement
15 or other agreement, finance the cost of or otherwise provide
16 for the collection or remittance of dues, assessments, fees,
17 or other periodic payments of money for the cost of:

18 (1) A membership in an automobile club. The term
19 "automobile club" means a legal entity which, in consideration
20 of dues, assessments, or periodic payments of money, promises
21 its members or subscribers to assist them in matters relating
22 to the ownership, operation, use, or maintenance of a motor
23 vehicle; however, this definition of "automobile club" does
24 not include persons, associations, or corporations which are
25 organized and operated solely for the purpose of conducting,
26 sponsoring, or sanctioning motor vehicle races, exhibitions,
27 or contests upon racetracks, or upon racecourses established
28 and marked as such for the duration of such particular events.
29 The words "motor vehicle" used herein have the same meaning as
30 defined in chapter 320.

31 (2) An accidental death and dismemberment policy sold

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1 in combination with a personal injury protection and property
2 damage only policy.

3 (3) Any product not regulated under the provisions of
4 this insurance code.

5
6 This section also applies to premium financing by any
7 insurance agent or insurance company under part XVI. The
8 department shall adopt ~~promulgate~~ rules to assure disclosure,
9 at the time of sale, of coverages financed with personal
10 injury protection and shall prescribe the form of such
11 disclosure.

12 Section 17. Subsection (3) is added to section
13 627.848, Florida Statutes, to read:

14 627.848 Cancellation of insurance contract upon
15 default.--

16 (3) The department shall adopt a standard cancellation
17 notice for use by premium finance companies in canceling
18 insurance policies. The department shall specify the color of
19 the notice so as to promote usability and standardization.

20 Section 18. Section 627.955, Florida Statutes, is
21 created to read:

22 627.955 Limitation on deductibles.--A purchasing group
23 may not purchase insurance that provides for a deductible or
24 self-insured retention that is applicable to the group as a
25 whole. However, coverage may provide for a deductible or
26 self-insured retention that is applicable to individual
27 members.

28 Section 19. Subsection (3) is added to section
29 635.071, Florida Statutes, to read:

30 635.071 Filings, approval of forms; rate filings.--

31 (3) An insurer may not insure mortgages that are

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1 offered for sale to the public by advertisement, whether in
2 newspapers, brochures, direct mailings, or similar media, if
3 the advertisement expressly or impliedly represents or
4 stresses that the worth, value, or safety of the mortgage
5 investment arises by virtue of the proposed mortgage guaranty
6 insurance rather than by virtue of the safety inherent in the
7 value of the underlying security as it relates to the face
8 value of the mortgage debt, or if the advertisement stresses
9 the fact that the mortgage guaranty insurance is regulated by
10 an agency of the state or Federal Government.

11 Section 20. Section 648.4425, Florida Statutes, is
12 amended to read:

13 648.4425 Notice.--Upon issuing a bond, the bail bond
14 agent shall provide to the principal and, if applicable, to
15 the party rendering collateral or indemnifying the principal
16 an informational notice which shall include:

17 (1) A statement noting with particularity the
18 restrictions, if any, placed on the principal as a condition
19 of the bond;

20 (2) A statement of the bail bond agent's powers
21 relating to the cancellation of the bond and recommitment of
22 the principal; and

23 (3) The name, address, and telephone number of the
24 department for complaints or inquiries.

25

26 The department shall prescribe forms to administer this
27 section.

28 Section 21. Subsection (4) is added to section
29 791.015, Florida Statutes, to read:

30 791.015 Registration of manufacturers, distributors,
31 wholesalers, and retailers of sparklers.--

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1 (4) RULES.--The State Fire Marshal may adopt rules
2 establishing a form to be used by entities wishing to do
3 business in this state pursuant to this section.

4 Section 22. This act shall take effect July 1, 2000.

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

8 And the title is amended as follows:

9 On page 1, line 12 through page 5, line 30
10 remove from the title of the bill: all of said lines

11
12 and insert in lieu thereof:

13 actions; creating s. 624.4135, F.S.; requiring
14 that the department adopt rules governing
15 applications by foreign insurers for a
16 certificate of authority as a domestic insurer;
17 amending s. 625.305, F.S.; establishing
18 limitations relating to certain investments by
19 domestic life insurers; creating s. 625.765,
20 F.S.; exempting specified transactions from
21 requirements that a domestic stock insurer file
22 statements and recover certain profits;
23 creating s. 626.2817, F.S.; providing for the
24 regulation of course providers, instructors,
25 and other groups involved in prelicensure
26 education for insurance agents and other
27 licensees; amending s. 626.7353, F.S.;
28 requiring that the Department of Insurance
29 adopt rules governing the appointment of
30 customer representatives; amending s. 627.062,
31 F.S.; providing for the availability of water

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1 supplies to be considered by insurers or rating
2 organizations in establishing rates; amending
3 s. 627.429, F.S.; providing that certain
4 limitations on the use of medical tests for
5 human immunodeficiency virus infection and
6 acquired immune deficiency syndrome apply to
7 insurance provided by prepaid limited health
8 organizations; amending s. 627.481, F.S.;
9 requiring that the department adopt rules
10 governing certain annuity agreements; creating
11 s. 627.7276, F.S.; providing notice
12 requirements for motor vehicle policies that do
13 not provide coverage for bodily injury and
14 property damage liability; amending s.
15 627.7282, F.S.; authorizing the Department of
16 Insurance to adopt rules governing the format
17 of the notice of additional premiums; creating
18 s. 627.796, F.S.; requiring that a title
19 insurer obtain a minimum amount of errors and
20 omissions coverage for persons performing title
21 searches; creating s. 627.797, F.S.; requiring
22 that insurers file with the department a list
23 of agents who are exempt from licensure;
24 creating s. 627.798, F.S.; requiring that the
25 Department of Insurance adopt forms for
26 notifying the mortgagor of certain provisions
27 in a title policy; amending ss. 627.8405,
28 627.848, F.S.; requiring that the Department of
29 Insurance adopt forms for disclosing coverages
30 financed with personal injury protection and
31 for cancelling certain policies; creating s.

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1 627.955, F.S.; prohibiting certain deductibles
2 that are applicable to the insured group as a
3 whole; amending s. 635.071, F.S.; prohibiting
4 insurance on mortgages that are offered for
5 sale based on certain advertisements; amending
6 s. 648.4425, F.S.; requiring the Department of
7 Insurance to prescribe forms for use by bail
8 bond agents in issuing bonds; amending s.
9 791.015, F.S.; authorizing the State Fire
10 Marshal to adopt by rule registration forms for
11 manufacturers, distributors, wholesalers, and
12 retailers of sparklers; providing an effective
13 date.

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