

By the Committee on Banking and Insurance; and Senator Rossin

311-1655-00

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A bill to be entitled
An act relating to insurance agencies; amending
s. 626.592, F.S.; applying the requirements for
insurance agencies to designate a primary agent
to foreign insurance agencies, under certain
circumstances; amending s. 626.753, F.S.;
prohibiting the sharing of insurance
commissions with unlicensed persons under
certain circumstances; providing an application
exception; providing an effective date.

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

Section 1. Subsection (10) is added to section
626.592, Florida Statutes, to read:
626.592 Primary agents.--
(10) The provisions of this section also apply to a
foreign insurance agency that is owned by a person in this
state and that uses unlicensed personnel to initiate customer
contact with a nonresident agent. This subsection does not
apply to a financial institution as defined in s.
655.005(1)(h) and (p) or a parent, subsidiary, or affiliate of
such institution.

Section 2. Present subsection (4) of section 626.753,
Florida Statutes, is renumbered as subsection (5) and a new
subsection (4) is added to that section to read:
626.753 Sharing commissions; penalty.--
(4) An unlicensed person or entity may not share in
the commission on the sale of property and casualty insurance
by the creation of a foreign partnership, corporation, or
other entity that is controlled by an unlicensed person or

1 entity within this state and that uses or employs a
2 nonresident agent licensed under s. 626.741 and uses
3 unlicensed personnel to initiate customer contact with a
4 nonresident agent. This subsection does not apply to a
5 financial institution as defined in s. 655.005(1)(h) and (p)
6 or a parent, subsidiary, or affiliate of such institution.

7 Section 3. This act shall take effect July 1, 2000.

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9 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
10 COMMITTEE SUBSTITUTE FOR
11 Senate Bill 314

12 Applies the requirements for insurance agencies to designate a
13 primary agent to foreign (out-of-state) insurance agencies
14 under certain circumstances.

15 Revises the prohibition as to the sharing of insurance
16 commissions by applying the prohibition to the statutory
17 provision on commission sharing rather than the definition of
18 "insurance agency".

19 Exempts financial institutions from the provisions of the
20 bill.
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