

By Representative Mahon

1 A bill to be entitled
2 An act relating to obsolete, expired, or
3 repealed provisions of law; repealing various
4 provisions of law that have become obsolete,
5 have had their effect, have served their
6 purpose, or have been impliedly repealed or
7 superseded; repealing s. 20.055(2)(b), F.S.,
8 relating to assessment of information on
9 performance measures and standards provided by
10 agencies to be submitted to the Governor by
11 agency inspectors general; repealing s.
12 20.171(5)(c), F.S., relating to Department of
13 Labor and Employment Security; deleting the
14 Division of Blind Services from the Department
15 of Labor and Employment Security to conform to
16 the transfer of said division by chapter
17 99-240, Laws of Florida; repealing s.
18 34.021(3), F.S., relating to qualifications of
19 county court judges; amending s. 39.824, F.S.;
20 deleting obsolete provision relating to
21 adoption of rules of criminal procedure;
22 repealing s. 193.102(1), F.S., relating to
23 obsolete provisions relating to lands subject
24 to tax sale certificates and assessments;
25 repealing s. 206.9825(2), F.S., relating to
26 limitation on aviation fuel tax; amending s.
27 212.08, F.S.; repealing obsolete provisions
28 relating to the sales, rental, use,
29 consumption, distribution, and storage tax;
30 amending s. 220.1501, F.S., relating to
31 rulemaking authority to implement s.

1 220.15(2)(c), (4)(c), and (8), F.S.; deleting
2 obsolete provision relating to report by Board
3 of Regents; repealing s. 255.259(3), F.S.;
4 deleting obsolete provision relating to
5 xeriscape landscaping on public property;
6 repealing s. 373.0361(3), F.S.; deleting
7 obsolete provision relating to regional water
8 supply planning; repealing s. 381.895(7), F.S.,
9 relating to standards for compressed air used
10 for recreational diving; deleting obsolete
11 effective date for said section; amending s.
12 394.4985, F.S.; deleting obsolete provision
13 relating to implementation plan for a
14 districtwide comprehensive child and adolescent
15 mental health information and referral network;
16 repealing s. 409.2559, F.S., relating to state
17 disbursement unit; repealing s. 414.70(5),
18 F.S.; deleting obsolete provision relating to
19 evaluations and recommendations relating to the
20 drug-screening and drug-testing program;
21 amending s. 420.504, F.S.; repealing obsolete
22 provision relating to changes in membership
23 categories; amending s. 440.4416, F.S.;
24 repealing obsolete provision relating to a
25 report to the Legislature by the Workers'
26 Compensation Oversight Board; amending s.
27 456.072, F.S.; repealing obsolete provision
28 relating to convictions, findings,
29 adjudications, and pleas; repealing s.
30 468.609(6)(b), F.S.; deleting obsolete
31 provision relating to building code

1 administrators, plans examiners, and building
2 code inspectors; repealing s. 570.381(1), F.S.,
3 relating to legislative findings relating to
4 Appaloosa racing and breeding; repealing s.
5 624.4085(11), F.S., relating to risk-based
6 capital reports; repealing s. 624.4392(2),
7 F.S., relating to multiple-employer welfare
8 arrangements; amending s. 626.2815, F.S.;
9 repealing obsolete provision relating to
10 establishment of criteria by the continuing
11 education advisory board; amending s. 626.918,
12 F.S.; repealing obsolete provisions relating to
13 the required surplus as to policyholders for
14 surplus lines insurers; repealing s. 627.4145
15 (6)(e), F.S., relating to obsolete exception to
16 provisions relating to readable language in
17 insurance policies; repealing s. 627.4147(3),
18 F.S., relating to expired provision relating to
19 medical malpractice insurance contracts;
20 amending s. 627.6492, F.S.; repealing obsolete
21 provision relating to operating losses by
22 insurers; amending s. 629.401, F.S.; deleting
23 obsolete provisions relating to capitalization
24 by underwriting members and certain investments
25 existing prior to July 2, 1987; repealing s.
26 631.911(1), F.S., relating to creation of the
27 Florida Workers' Compensation Insurance
28 Guaranty Association, Incorporated, merger, and
29 effect of merger; repealing s. 631.912(3),
30 F.S., relating to board of directors of the
31 Florida Workers' Compensation Insurance

1 Guaranty Association, Incorporated; deleting
2 references to s. 631.911(1), F. S., to conform;
3 repealing s. 631.929, F.S., relating to
4 election of remedies; amending s. 636.016,
5 F.S.; repealing obsolete provision relating to
6 prepaid limited health service organizations
7 licensed prior to October 1, 1993; amending s.
8 636.043, F.S.; repealing obsolete provisions
9 relating to financial statements required by
10 certain prepaid limited health service
11 organizations; repealing s. 655.963, F.S.,
12 relating to access devices; repealing s.
13 713.5955, F.S., relating to acquisition of
14 title to unclaimed molds; repealing s. 717.104,
15 F.S., relating to traveler's checks and money
16 orders; amending s. 717.105, F.S., and
17 repealing s. 717.118(4), F.S., relating to
18 notice and publication of lists of abandoned
19 property; deleting cross references, to
20 conform; amending s. 721.24, F.S.; repealing
21 obsolete provisions relating to delay of
22 installation of firesafety equipment for
23 timeshare units of timeshare plans; amending s.
24 744.7021, F.S.; repealing obsolete provision
25 relating to submission of report relating to
26 the Statewide Public Guardianship Office;
27 repealing s. 753.004, F.S., relating to
28 supervised visitation projects; providing an
29 effective date.

30
31 Be It Enacted by the Legislature of the State of Florida:

1 Section 1. Paragraph (b) of subsection (2) of section
2 20.055, Florida Statutes, is repealed.

3 Section 2. Paragraph (c) of subsection (5) of section
4 20.171, Florida Statutes, is repealed.

5 Section 3. Subsection (3) of section 34.021, Florida
6 Statutes, is repealed.

7 Section 4. Subsection (1) of section 39.824, Florida
8 Statutes, is amended to read:

9 39.824 Procedures and jurisdiction.--

10 (1) ~~The Supreme Court is requested to adopt rules of~~
11 ~~juvenile procedure by October 1, 1989, to implement this part.~~
12 All procedures, including petitions, pleadings, subpoenas,
13 summonses, and hearings in cases for the appointment of a
14 guardian advocate shall be according to the Florida Rules of
15 Juvenile Procedure unless otherwise provided by law.

16 Section 5. Subsection (1) of section 193.102, Florida
17 Statutes, is repealed.

18 Section 6. Subsection (2) of section 206.9825, Florida
19 Statutes, is repealed.

20 Section 7. Paragraphs (ff) and (zz) of subsection (7)
21 and paragraph (d) of subsection (17) of section 212.08,
22 Florida Statutes, are amended to read:

23 212.08 Sales, rental, use, consumption, distribution,
24 and storage tax; specified exemptions.--The sale at retail,
25 the rental, the use, the consumption, the distribution, and
26 the storage to be used or consumed in this state of the
27 following are hereby specifically exempt from the tax imposed
28 by this chapter.

29 (7) MISCELLANEOUS EXEMPTIONS.--

30 (ff) Certain electricity or steam uses.--

31

1 1. Subject to the provisions of subparagraph 4.,
2 charges for electricity or steam used to operate machinery and
3 equipment at a fixed location in this state when such
4 machinery and equipment is used to manufacture, process,
5 compound, produce, or prepare for shipment items of tangible
6 personal property for sale, or to operate pollution control
7 equipment, recycling equipment, maintenance equipment, or
8 monitoring or control equipment used in such operations are
9 exempt to the extent provided in this paragraph. If 75 percent
10 or more of the electricity or steam used at the fixed location
11 is used to operate qualifying machinery or equipment, 100
12 percent of the charges for electricity or steam used at the
13 fixed location are exempt. If less than 75 percent but 50
14 percent or more of the electricity or steam used at the fixed
15 location is used to operate qualifying machinery or equipment,
16 50 percent of the charges for electricity or steam used at the
17 fixed location are exempt. If less than 50 percent of the
18 electricity or steam used at the fixed location is used to
19 operate qualifying machinery or equipment, none of the charges
20 for electricity or steam used at the fixed location are
21 exempt.

22 2. This exemption applies only to industries
23 classified under SIC Industry Major Group Numbers 10, 12, 13,
24 14, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34,
25 35, 36, 37, 38, and 39 and Industry Group Number 212. As used
26 in this paragraph, "SIC" means those classifications contained
27 in the Standard Industrial Classification Manual, 1987, as
28 published by the Office of Management and Budget, Executive
29 Office of the President.

30 3. Possession by a seller of a written certification
31 by the purchaser, certifying the purchaser's entitlement to an

1 exemption permitted by this subsection, relieves the seller
2 from the responsibility of collecting the tax on the
3 nontaxable amounts, and the department shall look solely to
4 the purchaser for recovery of such tax if it determines that
5 the purchaser was not entitled to the exemption.

6 4. Such exemption shall be applied as follows:

7 a. Beginning July 1, 1996, 20 percent of the charges
8 for such electricity shall be exempt.

9 b. Beginning July 1, 1997, 40 percent of the charges
10 for such electricity shall be exempt.

11 c. Beginning July 1, 1998, 60 percent of the charges
12 for such electricity or steam shall be exempt.

13 d. Beginning July 1, 1999, 80 percent of the charges
14 for such electricity or steam shall be exempt.

15 e. Beginning July 1, 2000, 100 percent of the charges
16 for such electricity or steam shall be exempt.

17 5. Notwithstanding any other provision in this
18 paragraph to the contrary, in order to receive the exemption
19 provided in this paragraph a taxpayer must first register with
20 the WAGES Program Business Registry established by the local
21 WAGES coalition for the area in which the taxpayer is located.
22 Such registration establishes a commitment on the part of the
23 taxpayer to hire WAGES program participants to the maximum
24 extent possible consistent with the nature of their business.

25 ~~6.a. In order to determine whether the exemption~~
26 ~~provided in this paragraph from the tax on charges for~~
27 ~~electricity or steam has an effect on retaining or attracting~~
28 ~~companies to this state, the Office of Program Policy Analysis~~
29 ~~and Government Accountability shall monitor and report on the~~
30 ~~industries receiving the exemption.~~

31

1 ~~b. The report shall be submitted no later than January~~
2 ~~1, 2001, and must be comprehensive in scope, but, at a~~
3 ~~minimum, must be conducted in such a manner as to specifically~~
4 ~~determine the number of companies within each SIC Industry~~
5 ~~Major Group receiving the exemption as of September 1, 2000,~~
6 ~~the number of individuals employed by companies within each~~
7 ~~SIC Industry Major Group receiving the exemption as of~~
8 ~~September 1, 2000, whether the change, if any, in such number~~
9 ~~of companies or employees is attributable to the exemption~~
10 ~~provided in this paragraph, whether it would be sound public~~
11 ~~policy to continue or discontinue the exemption, and the~~
12 ~~consequences of doing so.~~

13 ~~c. The report shall be submitted to the President of~~
14 ~~the Senate, the Speaker of the House of Representatives, the~~
15 ~~Senate Minority Leader, and the House Minority Leader.~~

16 (zz) Certain repair and labor charges.--

17 1. Subject to the provisions of subparagraphs 2. and
18 3., there is exempt from the tax imposed by this chapter all
19 labor charges for the repair of, and parts and materials used
20 in the repair of and incorporated into, industrial machinery
21 and equipment which is used for the manufacture, processing,
22 compounding, production, or preparation for shipping of items
23 of tangible personal property at a fixed location within this
24 state.

25 2. This exemption applies only to industries
26 classified under SIC Industry Major Group Numbers 10, 12, 13,
27 14, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34,
28 35, 36, 37, 38, and 39 and Industry Group Number 212. As used
29 in this subparagraph, "SIC" means those classifications
30 contained in the Standard Industrial Classification Manual,
31

1 1987, as published by the Office of Management and Budget,
2 Executive Office of the President.

3 3. This exemption shall be applied as follows:

4 ~~a. Beginning July 1, 1999, 25 percent of such charges~~
5 ~~for repair parts and labor shall be exempt.~~

6 ~~b. Beginning July 1, 2000, 50 percent of such charges~~
7 ~~for repair parts and labor shall be exempt.~~

8 a.c. Beginning July 1, 2001, 75 percent of such
9 charges for repair parts and labor shall be exempt.

10 b.d. Beginning July 1, 2002, 100 percent of such
11 charges for repair parts and labor shall be exempt.

12
13 Exemptions provided to any entity by this subsection shall not
14 inure to any transaction otherwise taxable under this chapter
15 when payment is made by a representative or employee of such
16 entity by any means, including, but not limited to, cash,
17 check, or credit card even when that representative or
18 employee is subsequently reimbursed by such entity.

19 (17) EXEMPTIONS; CERTAIN GOVERNMENT CONTRACTORS.--

20 (d) The exemption provided in this subsection applies
21 as follows:

22 ~~1. Beginning July 1, 1999, the tax imposed by this~~
23 ~~chapter shall be applicable to 80 percent of the sales price~~
24 ~~or cost price of such overhead materials.~~

25 ~~2. Beginning July 1, 2000, the tax imposed by this~~
26 ~~chapter shall be applicable to 60 percent of the sales price~~
27 ~~or cost price of such overhead materials.~~

28 1.3. Beginning July 1, 2001, the tax imposed by this
29 chapter shall be applicable to 40 percent of the sales price
30 or cost price of such overhead materials.

31

1 ~~2.4.~~ Beginning July 1, 2002, the tax imposed by this
2 chapter shall be applicable to 20 percent of the sales price
3 or cost price of such overhead materials.

4 ~~3.5.~~ Beginning July 1, 2003, the entire sales price or
5 cost price of such overhead materials is exempt from the tax
6 imposed by this chapter.

7
8 The exemption provided in this subsection does not apply to
9 any part of the cost of overhead materials allocated to a
10 contract that is not a qualifying contract.

11 Section 8. Section 220.1501, Florida Statutes, is
12 amended to read:

13 220.1501 Rulemaking authority to implement s.
14 220.15(2)(c), (4)(c), and (8).--The Department of Revenue has
15 authority to adopt rules pursuant to the Administrative
16 Procedure Act to implement s. 220.15(2)(c), (4)(c), and (8),
17 as created by chapter 98-325, Laws of Florida. ~~The Board of~~
18 ~~Regents and the president of each participating nonpublic~~
19 ~~university shall monitor the various sponsored research~~
20 ~~contracts and make a report to the Speaker of the House of~~
21 ~~Representatives and to the President of the Senate by February~~
22 ~~1, 2000, which shall provide any necessary information which~~
23 ~~indicates if the provisions of chapter 98-325 have been~~
24 ~~successful in attracting additional sponsored research~~
25 ~~contracts.~~

26 Section 9. Subsection (3) of section 255.259, Florida
27 Statutes, is repealed.

28 Section 10. Subsection (3) of section 373.0361,
29 Florida Statutes, is repealed.

30 Section 11. Subsection (7) of section 381.895, Florida
31 Statutes, is repealed.

1 Section 12. Subsection (1) of section 394.4985,
2 Florida Statutes, is amended to read:

3 394.4985 Districtwide information and referral
4 network; implementation.--

5 (1) Each service district of the Department of
6 Children and Family Services ~~shall develop a detailed~~
7 ~~implementation plan for a districtwide comprehensive child and~~
8 ~~adolescent mental health information and referral network to~~
9 ~~be operational by July 1, 1999. The plan must include an~~
10 ~~operating budget that demonstrates cost efficiencies and~~
11 ~~identifies funding sources for the district information and~~
12 ~~referral network. The plan must be submitted by the department~~
13 ~~to the Legislature by October 1, 1998. The district shall use~~
14 existing district information and referral providers if, in
15 the development of the plan, it is concluded that these
16 providers would deliver information and referral services in a
17 more efficient and effective manner when compared to other
18 alternatives. The district information and referral network
19 must include:

20 (a) A resource file that contains information about
21 the child and adolescent mental health services as described
22 in s. 394.495, including, but not limited to:

- 23 1. Type of program;
- 24 2. Hours of service;
- 25 3. Ages of persons served;
- 26 4. Program description;
- 27 5. Eligibility requirements; and
- 28 6. Fees.

29 (b) Information about private providers and
30 professionals in the community which serve children and
31 adolescents with an emotional disturbance.

1 (c) A system to document requests for services that
2 are received through the network referral process, including,
3 but not limited to:

- 4 1. Number of calls by type of service requested;
- 5 2. Ages of the children and adolescents for whom
6 services are requested; and
- 7 3. Type of referral made by the network.

8 (d) The ability to share client information with the
9 appropriate community agencies.

10 (e) The submission of an annual report to the
11 department, the Agency for Health Care Administration, and
12 appropriate local government entities, which contains
13 information about the sources and frequency of requests for
14 information, types and frequency of services requested, and
15 types and frequency of referrals made.

16 Section 13. Section 409.2559, Florida Statutes, is
17 repealed.

18 Section 14. Subsection (5) of section 414.70, Florida
19 Statutes, as amended by chapters 2000-165 and 2000-337, Laws
20 of Florida, is repealed.

21 Section 15. Subsection (3) of section 420.504, Florida
22 Statutes, is amended to read:

23 420.504 Public corporation; creation, membership,
24 terms, expenses.--

25 (3) The corporation is a separate budget entity and is
26 not subject to control, supervision, or direction by the
27 Department of Community Affairs in any manner, including, but
28 not limited to, personnel, purchasing, transactions involving
29 real or personal property, and budgetary matters. The
30 corporation shall consist of a board of directors composed of
31 the Secretary of Community Affairs as an ex officio and voting

1 member and eight members appointed by the Governor subject to
2 confirmation by the Senate from the following:

3 (a) One citizen actively engaged in the residential
4 home building industry.

5 (b) One citizen actively engaged in the banking or
6 mortgage banking industry.

7 (c) One citizen who is a representative of those areas
8 of labor engaged in home building.

9 (d) One citizen with experience in housing development
10 who is an advocate for low-income persons.

11 (e) One citizen actively engaged in the commercial
12 building industry.

13 (f) One citizen who is a former local government
14 elected official.

15 (g) Two citizens of the state who are not principally
16 employed as members or representatives of any of the groups
17 specified in paragraphs (a)-(f).

18

19 ~~The changes in membership categories required by this act~~
20 ~~shall be effective when the term of one citizen member expires~~
21 ~~in 1998.~~

22 Section 16. Paragraph (a) of subsection (2) of section
23 440.4416, Florida Statutes, is amended to read:

24 440.4416 Workers' Compensation Oversight Board.--

25 (2) POWERS AND DUTIES; ORGANIZATION.--

26 (a) The board shall have all the powers necessary and
27 convenient to carry out and effectuate the purposes of this
28 section, including, but not limited to, the power to:

29 1. Conduct public hearings.

30 ~~2. Report to the Legislature by January 1, 1995, as to~~
31 ~~the feasibility of a return-to-work program that includes~~

1 ~~incentives for employers who encourage such a program and~~
2 ~~disincentives for employers who hinder such a program.~~

3 ~~2.3.~~ Prescribe qualifications for board employees.

4 ~~3.4.~~ Appear on its own behalf before other boards,
5 commissions, or agencies of the state or Federal Government.

6 ~~4.5.~~ Make and execute contracts to the extent that
7 such contracts are consistent with duties and powers set forth
8 in this section and elsewhere in the law of this state.

9 Section 17. Paragraph (w) of subsection (1) of section
10 456.072, Florida Statutes, is amended to read:

11 456.072 Grounds for discipline; penalties;
12 enforcement.--

13 (1) The following acts shall constitute grounds for
14 which the disciplinary actions specified in subsection (2) may
15 be taken:

16 (w) Failing to report to the board, or the department
17 if there is no board, in writing within 30 days after the
18 licensee has been convicted or found guilty of, or entered a
19 plea of nolo contendere to, regardless of adjudication, a
20 crime in any jurisdiction. ~~Convictions, findings,~~
21 ~~adjudications, and pleas entered into prior to the enactment~~
22 ~~of this paragraph must be reported in writing to the board, or~~
23 ~~department if there is no board, on or before October 1, 1999.~~

24 Section 18. Paragraph (b) of subsection (6) of section
25 468.609, Florida Statutes, is repealed.

26 Section 19. Subsection (1) of section 570.381, Florida
27 Statutes, is repealed.

28 Section 20. Subsection (11) of section 624.4085,
29 Florida Statutes, is repealed.

30 Section 21. Subsection (2) of section 624.4392,
31 Florida Statutes, is repealed.

1 Section 22. Paragraph (a) of subsection (6) of section
2 626.2815, Florida Statutes, is amended to read:

3 626.2815 Continuing education required; application;
4 exceptions; requirements; penalties.--

5 (6)(a) There is created an 11-member continuing
6 education advisory board to be appointed by the Insurance
7 Commissioner and Treasurer. Appointments shall be for terms of
8 4 years. The purpose of the board is to advise the department
9 in determining standards by which courses may be evaluated and
10 categorized as basic, intermediate, or advanced. ~~The board~~
11 ~~shall establish such criteria and the department shall~~
12 ~~implement such criteria by January 1, 1997.~~The board shall
13 submit recommendations to the department of changes needed in
14 such criteria not less frequently than every 2 years
15 ~~thereafter.~~ The department shall require all approved course
16 providers to submit courses for approval to the department
17 using the criteria. All materials, brochures, and
18 advertisements related to the approved courses must specify
19 the level assigned to the course.

20 Section 23. Paragraph (d) of subsection (2) of section
21 626.918, Florida Statutes, is amended to read:

22 626.918 Eligible surplus lines insurers.--

23 (2) No unauthorized insurer shall be or become an
24 eligible surplus lines insurer unless made eligible by the
25 department in accordance with the following conditions:

26 (d)1. The insurer must have and maintain surplus as to
27 policyholders of not less than \$15 million; in addition, an
28 alien insurer must also have and maintain in the United States
29 a trust fund for the protection of all its policyholders in
30 the United States under terms deemed by the department to be
31 reasonably adequate, in an amount not less than \$5.4 million.

1 Any such surplus as to policyholders or trust fund shall be
2 represented by investments consisting of eligible investments
3 for like funds of like domestic insurers under part II of
4 chapter 625 provided, however, that in the case of an alien
5 insurance company, any such surplus as to policyholders may be
6 represented by investments permitted by the domestic regulator
7 of such alien insurance company if such investments are
8 substantially similar in terms of quality, liquidity, and
9 security to eligible investments for like funds of like
10 domestic insurers under part II of chapter 625;

11 2. For those surplus lines insurers that were eligible
12 on January 1, 1994, and that maintained their eligibility
13 thereafter, the required surplus as to policyholders shall be:

14 ~~a. On December 31, 1994, and until December 30, 1995,~~
15 ~~\$2.5 million.~~

16 ~~b. On December 31, 1995, and until December 30, 1996,~~
17 ~~\$3.5 million.~~

18 ~~c. On December 31, 1996, and until December 30, 1997,~~
19 ~~\$4.5 million.~~

20 ~~d. On December 31, 1997, and until December 30, 1998,~~
21 ~~\$5.5 million.~~

22 ~~e. On December 31, 1998, and until December 30, 1999,~~
23 ~~\$6.5 million.~~

24 ~~f. On December 31, 1999, and until December 30, 2000,~~
25 ~~\$8 million.~~

26 a.g. On December 31, 2000, and until December 30,
27 2001, \$9.5 million.

28 b.h. On December 31, 2001, and until December 30,
29 2002, \$11 million.

30 c.i. On December 31, 2002, and until December 30,
31 2003, \$13 million.

1 ~~d.j.~~ On December 31, 2003, and thereafter, \$15
2 million.

3 3. The capital and surplus requirements as set forth
4 in subparagraph 2. do not apply in the case of an insurance
5 exchange created by the laws of individual states, where the
6 exchange maintains capital and surplus pursuant to the
7 requirements of that state, or maintains capital and surplus
8 in an amount not less than \$50 million in the aggregate. For
9 an insurance exchange which maintains funds in the amount of
10 at least \$12 million for the protection of all insurance
11 exchange policyholders, each individual syndicate shall
12 maintain minimum capital and surplus in an amount not less
13 than \$3 million. If the insurance exchange does not maintain
14 funds in the amount of at least \$12 million for the protection
15 of all insurance exchange policyholders, each individual
16 syndicate shall meet the minimum capital and surplus
17 requirements set forth in subparagraph 2.;

18 4. A surplus lines insurer which is a member of an
19 insurance holding company that includes a member which is a
20 Florida domestic insurer as set forth in its holding company
21 registration statement, as set forth in s. 628.801 and rules
22 adopted thereunder, may elect to maintain surplus as to
23 policyholders in an amount equal to the requirements of s.
24 624.408, subject to the requirement that the surplus lines
25 insurer shall at all times be in compliance with the
26 requirements of chapter 625.

27
28 The election shall be submitted to the department and shall be
29 effective upon the department's being satisfied that the
30 requirements of subparagraph 4. have been met. The initial
31 date of election shall be the date of department approval. The

1 election approval application shall be on a form adopted by
2 department rule. The department may approve an election form
3 submitted pursuant to subparagraph 4. only if it was on file
4 with the department before February 28, 1998;

5 Section 24. Paragraph (e) of subsection (6) of section
6 627.4145, Florida Statutes, is repealed.

7 Section 25. Subsection (3) of section 627.4147,
8 Florida Statutes, is repealed.

9 Section 26. Paragraph (b) of subsection (1) of section
10 627.6492, Florida Statutes, is amended to read:

11 627.6492 Participation of insurers.--

12 (1)

13 (b) ~~For operating losses incurred from July 1, 1991,~~
14 ~~through December 31, 1991, the total of all assessments upon a~~
15 ~~participating insurer shall not exceed .375 percent of such~~
16 ~~insurer's health insurance premiums earned in this state~~
17 ~~during 1990.~~ For operating losses incurred in 1992 and
18 thereafter, the total of all assessments upon a participating
19 insurer shall not exceed 1 percent of such insurer's health
20 insurance premium earned in this state during the calendar
21 year preceding the year for which the assessments were levied.

22 Section 27. Paragraph (b) of subsection (6) of section
23 629.401, Florida Statutes, is amended to read:

24 629.401 Insurance exchange.--

25 (6)

26 (b) In addition to the insurance laws specified in
27 paragraph (a), the department shall regulate the exchange
28 pursuant to the following powers, rights, and duties:

29 1. General examination powers.--The department shall
30 examine the affairs, transactions, accounts, records, and
31 assets of any security fund, exchange, members, and associate

1 brokers as often as it deems advisable. The examination may be
2 conducted by the accredited examiners of the department at the
3 offices of the entity or person being examined. The department
4 shall examine in like manner each prospective member or
5 associate broker applying for membership in an exchange.

6 2. Departmental approval and applications of
7 underwriting members.--No underwriting member shall commence
8 operation without the approval of the department. Before
9 commencing operation, an underwriting member shall provide a
10 written application containing:

11 a. Name, type, and purpose of the underwriting member.

12 b. Name, residence address, business background, and
13 qualifications of each person associated or to be associated
14 in the formation or financing of the underwriting member.

15 c. Full disclosure of the terms of all understandings
16 and agreements existing or proposed among persons so
17 associated relative to the underwriting member, or the
18 formation or financing thereof, accompanied by a copy of each
19 such agreement or understanding.

20 d. Full disclosure of the terms of all understandings
21 and agreements existing or proposed for management or
22 exclusive agency contracts.

23 3. Investigation of underwriting member
24 applications.--In connection with any proposal to establish an
25 underwriting member, the department shall make an
26 investigation of:

27 a. The character, reputation, financial standing, and
28 motives of the organizers, incorporators, or subscribers
29 organizing the proposed underwriting member.

30
31

1 b. The character, financial responsibility, insurance
2 experience, and business qualifications of its proposed
3 officers.

4 c. The character, financial responsibility, business
5 experience, and standing of the proposed stockholders and
6 directors, or owners.

7 4. Notice of management changes.--An underwriting
8 member shall promptly give the department written notice of
9 any change among the directors or principal officers of the
10 underwriting member within 30 days after such change. The
11 department shall investigate the new directors or principal
12 officers of the underwriting member. The department's
13 investigation shall include an investigation of the character,
14 financial responsibility, insurance experience, and business
15 qualifications of any new directors or principal officers. As
16 a result of the investigation, the department may require the
17 underwriting member to replace any new directors or principal
18 officers.

19 5. Alternate financial statement.--In lieu of any
20 financial examination, the department may accept an audited
21 financial statement.

22 6. Correction and reconstruction of records.--If the
23 department finds any accounts or records to be inadequate, or
24 inadequately kept or posted, it may employ experts to
25 reconstruct, rewrite, post, or balance them at the expense of
26 the person or entity being examined if such person or entity
27 has failed to maintain, complete, or correct such records or
28 accounts after the department has given him or her or it
29 notice and reasonable opportunity to do so.

30 7. Obstruction of examinations.--Any person or entity
31 who or which willfully obstructs the department or its

1 examiner in an examination is guilty of a misdemeanor of the
2 second degree, punishable as provided in s. 775.082 or s.
3 775.083.

4 8. Filing of annual statement.--Each underwriting
5 member shall file with the department a full and true
6 statement of its financial condition, transactions, and
7 affairs. The statement shall be filed on or before March 1 of
8 each year, or within such extension of time as the department
9 for good cause grants, and shall be for the preceding calendar
10 year. The statement shall contain information generally
11 included in insurer financial statements prepared in
12 accordance with generally accepted insurance accounting
13 principles and practices and in a form generally utilized by
14 insurers for financial statements, sworn to by at least two
15 executive officers of the underwriting member. The form of the
16 financial statements shall be the approved form of the
17 National Association of Insurance Commissioners or its
18 successor organization. The department may by rule require
19 each insurer to submit any part of the information contained
20 in the financial statement in a computer-readable form
21 compatible with the department's electronic data processing
22 system. In addition to information furnished in connection
23 with its annual statement, an underwriting member must furnish
24 to the department as soon as reasonably possible such
25 information about its transactions or affairs as the
26 department requests in writing. All information furnished
27 pursuant to the department's request must be verified by the
28 oath of two executive officers of the underwriting member.

29 9. Record maintenance.--Each underwriting member shall
30 have and maintain its principal place of business in this
31 state and shall keep therein complete records of its assets,

1 transactions, and affairs in accordance with such methods and
2 systems as are customary for or suitable to the kind or kinds
3 of insurance transacted.

4 10. Examination of agents.--If the department has
5 reason to believe that any agent, as defined in s. 626.041, s.
6 626.051, s. 626.062, or s. 626.914, has violated or is
7 violating any provision of the insurance law, or upon receipt
8 of a written complaint signed by any interested person
9 indicating that any such violation may exist, the department
10 shall conduct such examination as it deems necessary of the
11 accounts, records, documents, and transactions pertaining to
12 or affecting the insurance affairs of such agent.

13 11. Written reports of department.--The department or
14 its examiner shall make a full and true written report of any
15 examination. The report shall contain only information
16 obtained from examination of the records, accounts, files, and
17 documents of or relative to the person or entity examined or
18 from testimony of individuals under oath, together with
19 relevant conclusions and recommendations of the examiner based
20 thereon. The department shall furnish a copy of the report to
21 the person or entity examined not less than 30 days prior to
22 filing the report in its office. If such person or entity so
23 requests in writing within such 30-day period, the department
24 shall grant a hearing with respect to the report and shall not
25 file the report until after the hearing and after such
26 modifications have been made therein as the department deems
27 proper.

28 12. Admissibility of reports.--The report of an
29 examination when filed shall be admissible in evidence in any
30 action or proceeding brought by the department against the
31 person or entity examined, or against his or her or its

1 officers, employees, or agents. The department or its
2 examiners may at any time testify and offer other proper
3 evidence as to information secured or matters discovered
4 during the course of an examination, whether or not a written
5 report of the examination has been either made, furnished, or
6 filed in the department.

7 13. Publication of reports.--After an examination
8 report has been filed, the department may publish the results
9 of any such examination in one or more newspapers published in
10 this state whenever it deems it to be in the public interest.

11 14. Consideration of examination reports by entity
12 examined.--After the examination report of an underwriting
13 member has been filed, an affidavit shall be filed with the
14 department, not more than 30 days after the report has been
15 filed, on a form furnished by the department and signed by the
16 person or a representative of any entity examined, stating
17 that the report has been read and that the recommendations
18 made in the report will be considered within a reasonable
19 time.

20 15. Examination costs.--Each person or entity examined
21 by the department shall pay to the department the expenses
22 incurred in such examination.

23 16. Exchange costs.--An exchange shall reimburse the
24 department for any expenses incurred by it relating to the
25 regulation of the exchange and its members, except as
26 specified in subparagraph 15.

27 17. Powers of examiners.--Any examiner appointed by
28 the department, as to the subject of any examination,
29 investigation, or hearing being conducted by him or her, may
30 administer oaths, examine and cross-examine witnesses, and
31 receive oral and documentary evidence, and shall have the

1 power to subpoena witnesses, compel their attendance and
2 testimony, and require by subpoena the production of books,
3 papers, records, files, correspondence, documents, or other
4 evidence which the examiner deems relevant to the inquiry. If
5 any person refuses to comply with any such subpoena or to
6 testify as to any matter concerning which he or she may be
7 lawfully interrogated, the Circuit Court of Leon County or the
8 circuit court of the county wherein such examination,
9 investigation, or hearing is being conducted, or of the county
10 wherein such person resides, on the department's application
11 may issue an order requiring such person to comply with the
12 subpoena and to testify; and any failure to obey such an order
13 of the court may be punished by the court as a contempt
14 thereof. Subpoenas shall be served, and proof of such service
15 made, in the same manner as if issued by a circuit court.
16 Witness fees and mileage, if claimed, shall be allowed the
17 same as for testimony in a circuit court.

18 18. False testimony.--Any person willfully testifying
19 falsely under oath as to any matter material to any
20 examination, investigation, or hearing shall upon conviction
21 thereof be guilty of perjury and shall be punished
22 accordingly.

23 19. Self-incrimination.--

24 a. If any person asks to be excused from attending or
25 testifying or from producing any books, papers, records,
26 contracts, documents, or other evidence in connection with any
27 examination, hearing, or investigation being conducted by the
28 department or its examiner, on the ground that the testimony
29 or evidence required of the person may tend to incriminate him
30 or her or subject him or her to a penalty or forfeiture, and
31 the person notwithstanding is directed to give such testimony

1 or produce such evidence, he or she shall, if so directed by
2 the department and the Department of Legal Affairs,
3 nonetheless comply with such direction; but the person shall
4 not thereafter be prosecuted or subjected to any penalty or
5 forfeiture for or on account of any transaction, matter, or
6 thing concerning which he or she may have so testified or
7 produced evidence, and no testimony so given or evidence so
8 produced shall be received against him or her upon any
9 criminal action, investigation, or proceeding; except that no
10 such person so testifying shall be exempt from prosecution or
11 punishment for any perjury committed by him or her in such
12 testimony, and the testimony or evidence so given or produced
13 shall be admissible against him or her upon any criminal
14 action, investigation, or proceeding concerning such perjury,
15 nor shall he or she be exempt from the refusal, suspension, or
16 revocation of any license, permission, or authority conferred,
17 or to be conferred, pursuant to the insurance law.

18 b. Any such individual may execute, acknowledge, and
19 file in the office of the department a statement expressly
20 waiving such immunity or privilege in respect to any
21 transaction, matter, or thing specified in such statement, and
22 thereupon the testimony of such individual or such evidence in
23 relation to such transaction, matter, or thing may be received
24 or produced before any judge or justice, court, tribunal,
25 grand jury, or otherwise; and if such testimony or evidence is
26 so received or produced, such individual shall not be entitled
27 to any immunity or privileges on account of any testimony so
28 given or evidence so produced.

29 20. Penalty for failure to testify.--Any person who
30 refuses or fails, without lawful cause, to testify relative to
31 the affairs of any member, associate broker, or other person

1 when subpoenaed and requested by the department to so testify,
2 as provided in subparagraph 17., shall, in addition to the
3 penalty provided in subparagraph 17., be guilty of a
4 misdemeanor of the second degree, punishable as provided in s.
5 775.082 or s. 775.083.

6 21. Name selection.--No underwriting member shall be
7 formed or authorized to transact insurance in this state under
8 a name which is the same as that of any authorized insurer or
9 is so nearly similar thereto as to cause or tend to cause
10 confusion or under a name which would tend to mislead as to
11 the type of organization of the insurer. Before incorporating
12 under or using any name, the underwriting syndicate or
13 proposed underwriting syndicate shall submit its name or
14 proposed name to the department for the approval of the
15 department.

16 ~~22. Capitalization.--An underwriting member approved~~
17 ~~on or after July 2, 1987, shall provide an initial paid-in~~
18 ~~capital and surplus of \$3 million and thereafter shall~~
19 ~~maintain a minimum policyholder surplus of \$2 million in order~~
20 ~~to be permitted to write insurance. Underwriting members~~
21 ~~approved prior to July 2, 1987, shall maintain a minimum~~
22 ~~policyholder surplus of \$1 million. After June 29, 1988,~~
23 ~~underwriting members approved prior to July 2, 1987, must~~
24 ~~maintain a minimum policyholder surplus of \$1.5 million to~~
25 ~~write insurance. After June 29, 1989, underwriting members~~
26 ~~approved prior to July 2, 1987, must maintain a minimum~~
27 ~~policyholder surplus of \$1.75 million to write insurance.~~
28 ~~After December 30, 1989, all underwriting members, regardless~~
29 ~~of the date they were approved, must maintain a minimum~~
30 ~~policyholder surplus of \$2 million to write insurance. Except~~
31 ~~for that portion of the paid-in capital and surplus which~~

1 ~~shall be maintained in a security fund of an exchange, the~~
2 ~~paid-in capital and surplus shall be invested by an~~
3 ~~underwriting member in a manner consistent with ss.~~
4 ~~625.301-625.340. The portion of the paid-in capital and~~
5 ~~surplus in any security fund of an exchange shall be invested~~
6 ~~in a manner limited to investments for life insurance~~
7 ~~companies under the Florida insurance laws.~~

8 22.23. Limitations on coverage written.--

9 a. Limit of risk.--No underwriting member shall expose
10 itself to any loss on any one risk in an amount exceeding 10
11 percent of its surplus to policyholders. Any risk or portion
12 of any risk which shall have been reinsured in an assuming
13 reinsurer authorized or approved to do such business in this
14 state shall be deducted in determining the limitation of risk
15 prescribed in this section.

16 b. Restrictions on premiums written.--If the
17 department has reason to believe that the underwriting
18 member's ratio of actual or projected annual gross written
19 premiums to policyholder surplus exceeds 8 to 1 or the
20 underwriting member's ratio of actual or projected annual net
21 premiums to policyholder surplus exceeds 4 to 1, the
22 department may establish maximum gross or net annual premiums
23 to be written by the underwriting member consistent with
24 maintaining the ratios specified in this sub-subparagraph.

25 (I) Projected annual net or gross premiums shall be
26 based on the actual writings to date for the underwriting
27 member's current calendar year, its writings for the previous
28 calendar year, or both. Ratios shall be computed on an
29 annualized basis.

30
31

1 (II) For purposes of this sub-subparagraph, the term
2 "gross written premiums" means direct premiums written and
3 reinsurance assumed.

4 c. Surplus as to policyholders.--For the purpose of
5 determining the limitation on coverage written, surplus as to
6 policyholders shall be deemed to include any voluntary
7 reserves, or any part thereof, which are not required by or
8 pursuant to law and shall be determined from the last sworn
9 statement of such underwriting member with the department, or
10 by the last report or examination filed by the department,
11 whichever is more recent at the time of assumption of such
12 risk.

13 ~~23.24.~~ Unearned premium reserves.--All unearned
14 premium reserves for business written on the exchange shall be
15 calculated on a monthly or more frequent basis or on such
16 other basis as determined by the department; except that all
17 premiums on any marine or transportation insurance trip risk
18 shall be deemed unearned until the trip is terminated.

19 ~~24.25.~~ Loss reserves.--All underwriting members of an
20 exchange shall maintain loss reserves, including a reserve for
21 incurred but not reported claims. The reserves shall be
22 subject to review by the department, and, if loss experience
23 shows that an underwriting member's loss reserves are
24 inadequate, the department shall require the underwriting
25 member to maintain loss reserves in such additional amount as
26 is needed to make them adequate.

27 ~~25.26.~~ Distribution of profits.--An underwriting
28 member shall not distribute any profits in the form of cash or
29 other assets to owners except out of that part of its
30 available and accumulated surplus funds which is derived from
31 realized net operating profits on its business and realized

1 capital gains. In any one year such payments to owners shall
2 not exceed 30 percent of such surplus as of December 31 of the
3 immediately preceding year, unless otherwise approved by the
4 department. No distribution of profits shall be made that
5 would render an underwriting member either impaired or
6 insolvent.

7 ~~26.27.~~ Stock dividends.--A stock dividend may be paid
8 by an underwriting member out of any available surplus funds
9 in excess of the aggregate amount of surplus advanced to the
10 underwriting member under subparagraph ~~28.29.~~

11 ~~27.28.~~ Dividends from earned surplus.--A dividend
12 otherwise lawful may be payable out of an underwriting
13 member's earned surplus even though the total surplus of the
14 underwriting member is then less than the aggregate of its
15 past contributed surplus resulting from issuance of its
16 capital stock at a price in excess of the par value thereof.

17 ~~28.29.~~ Borrowing of money by underwriting members.--

18 a. An underwriting member may borrow money to defray
19 the expenses of its organization, provide it with surplus
20 funds, or for any purpose of its business, upon a written
21 agreement that such money is required to be repaid only out of
22 the underwriting member's surplus in excess of that stipulated
23 in such agreement. The agreement may provide for interest not
24 exceeding 15 percent simple interest per annum. The interest
25 shall or shall not constitute a liability of the underwriting
26 member as to its funds other than such excess of surplus, as
27 stipulated in the agreement. No commission or promotion
28 expense shall be paid in connection with any such loan. The
29 use of any surplus note and any repayments thereof shall be
30 subject to the approval of the department.

31

1 b. Money so borrowed, together with any interest
2 thereon if so stipulated in the agreement, shall not form a
3 part of the underwriting member's legal liabilities except as
4 to its surplus in excess of the amount thereof stipulated in
5 the agreement, nor be the basis of any setoff; but until
6 repayment, financial statements filed or published by an
7 underwriting member shall show as a footnote thereto the
8 amount thereof then unpaid, together with any interest thereon
9 accrued but unpaid.

10 ~~29.30~~. Liquidation, rehabilitation, and
11 restrictions.--The department, upon a showing that a member or
12 associate broker of an exchange has met one or more of the
13 grounds contained in part I of chapter 631, may restrict sales
14 by type of risk, policy or contract limits, premium levels, or
15 policy or contract provisions; increase surplus or capital
16 requirements of underwriting members; issue cease and desist
17 orders; suspend or restrict a member's or associate broker's
18 right to transact business; place an underwriting member under
19 conservatorship or rehabilitation; or seek an order of
20 liquidation as authorized by part I of chapter 631.

21 ~~30.31~~. Prohibited conduct.--The following acts by a
22 member, associate broker, or affiliated person shall
23 constitute prohibited conduct:

24 a. Fraud.

25 b. Fraudulent or dishonest acts committed by a member
26 or associate broker prior to admission to an exchange, if the
27 facts and circumstances were not disclosed to the department
28 upon application to become a member or associate broker.

29 c. Conduct detrimental to the welfare of an exchange.

30 d. Unethical or improper practices or conduct,
31 inconsistent with just and equitable principles of trade as

1 set forth in, but not limited to, ss. 626.951-626.9641 and
2 626.973.

3 e. Failure to use due diligence to ascertain the
4 insurance needs of a client or a principal.

5 f. Misstatements made under oath or upon an
6 application for membership on an exchange.

7 g. Failure to testify or produce documents when
8 requested by the department.

9 h. Willful violation of any law of this state.

10 i. Failure of an officer or principal to testify under
11 oath concerning a member, associate broker, or other person's
12 affairs as they relate to the operation of an exchange.

13 j. Violation of the constitution and bylaws of the
14 exchange.

15 31.32. Penalties for participating in prohibited
16 conduct.--

17 a. The department may order the suspension of further
18 transaction of business on the exchange of any member or
19 associate broker found to have engaged in prohibited conduct.
20 In addition, any member or associate broker found to have
21 engaged in prohibited conduct may be subject to reprimand,
22 censure, and/or a fine not exceeding \$25,000 imposed by the
23 department.

24 b. Any member which has an affiliated person who is
25 found to have engaged in prohibited conduct shall be subject
26 to involuntary withdrawal or in addition thereto may be
27 subject to suspension, reprimand, censure, and/or a fine not
28 exceeding \$25,000.

29 32.33. Reduction of penalties.--Any suspension,
30 reprimand, censure, or fine may be remitted or reduced by the

31

1 department on such terms and conditions as are deemed fair and
2 equitable.

3 ~~33.34.~~ Other offenses.--Any member or associate broker
4 that is suspended shall be deprived, during the period of
5 suspension, of all rights and privileges of a member or of an
6 associate broker and may be proceeded against by the
7 department for any offense committed either before or after
8 the date of suspension.

9 ~~34.35.~~ Reinstatement.--Any member or associate broker
10 that is suspended may be reinstated at any time on such terms
11 and conditions as the department may specify.

12 ~~35.36.~~ Remittance of fines.--Fines imposed under this
13 section shall be remitted to the department and shall be paid
14 into the Insurance Commissioner's Regulatory Trust Fund.

15 ~~36.37.~~ Failure to pay fines.--When a member or
16 associate broker has failed to pay a fine for 15 days after it
17 becomes payable, such member or associate broker shall be
18 suspended, unless the department has granted an extension of
19 time to pay such fine.

20 ~~37.38.~~ Changes in ownership or assets.--In the event
21 of a major change in the ownership or a major change in the
22 assets of an underwriting member, the underwriting member
23 shall report such change in writing to the department within
24 30 days of the effective date thereof. The report shall set
25 forth the details of the change. Any change in ownership or
26 assets of more than 5 percent shall be considered a major
27 change.

28 ~~38.39.~~ Retaliation.--

29 a. When by or pursuant to the laws of any other state
30 or foreign country any taxes, licenses, or other fees, in the
31 aggregate, and any fines, penalties, deposit requirements, or

1 other material obligations, prohibitions, or restrictions are
2 or would be imposed upon an exchange or upon the agents or
3 representatives of such exchange which are in excess of such
4 taxes, licenses, and other fees, in the aggregate, or which
5 are in excess of such fines, penalties, deposit requirements,
6 or other obligations, prohibitions, or restrictions directly
7 imposed upon similar exchanges or upon the agents or
8 representatives of such exchanges of such other state or
9 country under the statutes of this state, so long as such laws
10 of such other state or country continue in force or are so
11 applied, the same taxes, licenses, and other fees, in the
12 aggregate, or fines, penalties, deposit requirements, or other
13 material obligations, prohibitions, or restrictions of
14 whatever kind shall be imposed by the department upon the
15 exchanges, or upon the agents or representatives of such
16 exchanges, of such other state or country doing business or
17 seeking to do business in this state.

18 b. Any tax, license, or other obligation imposed by
19 any city, county, or other political subdivision or agency of
20 a state, jurisdiction, or foreign country on an exchange, or
21 on the agents or representatives on an exchange, shall be
22 deemed to be imposed by such state, jurisdiction, or foreign
23 country within the meaning of sub-subparagraph a.

24 ~~39.40~~ Agents.--

25 a. Agents as defined in ss. 626.041, 626.051, 626.062,
26 and 626.914 who are broker members or associate broker members
27 of an exchange shall be allowed only to place on an exchange
28 the same kind or kinds of business that the agent is licensed
29 to place pursuant to Florida law. Direct Florida business as
30 defined in s. 626.916 or s. 626.917 shall be written through a
31 broker member who is a surplus lines agent as defined in s.

1 626.914. The activities of each broker member or associate
2 broker with regard to an exchange shall be subject to all
3 applicable provisions of the insurance laws of this state, and
4 all such activities shall constitute transactions under his or
5 her license as an insurance agent for purposes of the Florida
6 insurance law.

7 b. Premium payments and other requirements.--If an
8 underwriting member has assumed the risk as to a surplus lines
9 coverage and if the premium therefor has been received by the
10 surplus lines agent who placed such insurance, then in all
11 questions thereafter arising under the coverage as between the
12 underwriting member and the insured, the underwriting member
13 shall be deemed to have received the premium due to it for
14 such coverage; and the underwriting member shall be liable to
15 the insured as to losses covered by such insurance, and for
16 unearned premiums which may become payable to the insured upon
17 cancellation of such insurance, whether or not in fact the
18 surplus lines agent is indebted to the underwriting member
19 with respect to such insurance or for any other cause.

20 40.41. Improperly issued contracts, riders, and
21 endorsements.--

22 a. Any insurance policy, rider, or endorsement issued
23 by an underwriting member and otherwise valid which contains
24 any condition or provision not in compliance with the
25 requirements of this section shall not be thereby rendered
26 invalid, except as provided in s. 627.415, but shall be
27 construed and applied in accordance with such conditions and
28 provisions as would have applied had such policy, rider, or
29 endorsement been in full compliance with this section. In the
30 event an underwriting member issues or delivers any policy for
31 an amount which exceeds any limitations otherwise provided in

1 this section, the underwriting member shall be liable to the
2 insured or his or her beneficiary for the full amount stated
3 in the policy in addition to any other penalties that may be
4 imposed.

5 b. Any insurance contract delivered or issued for
6 delivery in this state governing a subject or subjects of
7 insurance resident, located, or to be performed in this state
8 which, pursuant to the provisions of this section, the
9 underwriting member may not lawfully insure under such a
10 contract shall be cancelable at any time by the underwriting
11 member, any provision of the contract to the contrary
12 notwithstanding; and the underwriting member shall promptly
13 cancel the contract in accordance with the request of the
14 department therefor. No such illegality or cancellation shall
15 be deemed to relieve the underwriting syndicate of any
16 liability incurred by it under the contract while in force or
17 to prohibit the underwriting syndicate from retaining the pro
18 rata earned premium thereon. This provision does not relieve
19 the underwriting syndicate from any penalty otherwise incurred
20 by the underwriting syndicate.

21 ~~41.42.~~ Satisfaction of judgments.--

22 a. Every judgment or decree for the recovery of money
23 heretofore or hereafter entered in any court of competent
24 jurisdiction against any underwriting member shall be fully
25 satisfied within 60 days from and after the entry thereof or,
26 in the case of an appeal from such judgment or decree, within
27 60 days from and after the affirmance of the judgment or
28 decree by the appellate court.

29 b. If the judgment or decree is not satisfied as
30 required under sub-subparagraph a., and proof of such failure
31 to satisfy is made by filing with the department a certified

1 transcript of the docket of the judgment or the decree
2 together with a certificate by the clerk of the court wherein
3 the judgment or decree remains unsatisfied, in whole or in
4 part, after the time provided in sub-subparagraph a., the
5 department shall forthwith prohibit the underwriting member
6 from transacting business. The department shall not permit
7 such underwriting member to write any new business until the
8 judgment or decree is wholly paid and satisfied and proof
9 thereof is filed with the department under the official
10 certificate of the clerk of the court wherein the judgment was
11 recovered, showing that the judgment or decree is satisfied of
12 record, and until the expenses and fees incurred in the case
13 are also paid by the underwriting syndicate.

14 42.43. Tender and exchange offers.--No person shall
15 conclude a tender offer or an exchange offer or otherwise
16 acquire 5 percent or more of the outstanding voting securities
17 of an underwriting member or controlling company or purchase 5
18 percent or more of the ownership of an underwriting member or
19 controlling company unless such person has filed with, and
20 obtained the approval of, the department and sent to such
21 underwriting member a statement setting forth:

22 a. The identity of, and background information on,
23 each person by whom, or on whose behalf, the acquisition is to
24 be made; and, if the acquisition is to be made by or on behalf
25 of a corporation, association, or trust, the identity of and
26 background information on each director, officer, trustee, or
27 other natural person performing duties similar to those of a
28 director, officer, or trustee for the corporation,
29 association, or trust.

30 b. The source and amount of the funds or other
31 consideration used, or to be used, in making the acquisition.

1 c. Any plans or proposals which such person may have
2 to liquidate such member, to sell its assets, or to merge or
3 consolidate it.

4 d. The percentage of ownership which such person
5 proposes to acquire and the terms of the offer or exchange, as
6 the case may be.

7 e. Information as to any contracts, arrangements, or
8 understandings with any party with respect to any securities
9 of such member or controlling company, including, but not
10 limited to, information relating to the transfer of any
11 securities, option arrangements, or puts or calls or the
12 giving or withholding of proxies, naming the party with whom
13 such contract, arrangements, or understandings have been
14 entered and giving the details thereof.

15 f. The department may disapprove any acquisition
16 subject to the provisions of this subparagraph by any person
17 or any affiliated person of such person who:

18 (I) Willfully violates this subparagraph;

19 (II) In violation of an order of the department issued
20 pursuant to sub-subparagraph j., fails to divest himself or
21 herself of any stock obtained in violation of this
22 subparagraph, or fails to divest himself or herself of any
23 direct or indirect control of such stock, within 25 days after
24 such order; or

25 (III) In violation of an order issued by the
26 department pursuant to sub-subparagraph j., acquires
27 additional stock of the underwriting member or controlling
28 company, or direct or indirect control of such stock, without
29 complying with this subparagraph.

30 g. The person or persons filing the statement required
31 by this subparagraph have the burden of proof. The department

1 shall approve any such acquisition if it finds, on the basis
2 of the record made during any proceeding or on the basis of
3 the filed statement if no proceeding is conducted, that:
4 (I) Upon completion of the acquisition, the
5 underwriting member will be able to satisfy the requirements
6 for the approval to write the line or lines of insurance for
7 which it is presently approved;
8 (II) The financial condition of the acquiring person
9 or persons will not jeopardize the financial stability of the
10 underwriting member or prejudice the interests of its
11 policyholders or the public;
12 (III) Any plan or proposal which the acquiring person
13 has, or acquiring persons have, made:
14 (A) To liquidate the insurer, sell its assets, or
15 merge or consolidate it with any person, or to make any other
16 major change in its business or corporate structure or
17 management; or
18 (B) To liquidate any controlling company, sell its
19 assets, or merge or consolidate it with any person, or to make
20 any major change in its business or corporate structure or
21 management which would have an effect upon the underwriting
22 member
23
24 is fair and free of prejudice to the policyholders of the
25 underwriting member or to the public;
26 (IV) The competence, experience, and integrity of
27 those persons who will control directly or indirectly the
28 operation of the underwriting member indicate that the
29 acquisition is in the best interest of the policyholders of
30 the underwriting member and in the public interest;
31

1 (V) The natural persons for whom background
2 information is required to be furnished pursuant to this
3 subparagraph have such backgrounds as to indicate that it is
4 in the best interests of the policyholders of the underwriting
5 member, and in the public interest, to permit such persons to
6 exercise control over such underwriting member;

7 (VI) The officers and directors to be employed after
8 the acquisition have sufficient insurance experience and
9 ability to assure reasonable promise of successful operation;

10 (VII) The management of the underwriting member after
11 the acquisition will be competent and trustworthy and will
12 possess sufficient managerial experience so as to make the
13 proposed operation of the underwriting member not hazardous to
14 the insurance-buying public;

15 (VIII) The management of the underwriting member after
16 the acquisition will not include any person who has directly
17 or indirectly through ownership, control, reinsurance
18 transactions, or other insurance or business relations
19 unlawfully manipulated the assets, accounts, finances, or
20 books of any insurer or underwriting member or otherwise acted
21 in bad faith with respect thereto;

22 (IX) The acquisition is not likely to be hazardous or
23 prejudicial to the underwriting member's policyholders or the
24 public; and

25 (X) The effect of the acquisition of control would not
26 substantially lessen competition in insurance in this state or
27 would not tend to create a monopoly therein.

28 h. No vote by the stockholder of record, or by any
29 other person, of any security acquired in contravention of the
30 provisions of this subparagraph is valid. Any acquisition of
31 any security contrary to the provisions of this subparagraph

1 is void. Upon the petition of the underwriting member or
2 controlling company, the circuit court for the county in which
3 the principal office of such underwriting member is located
4 may, without limiting the generality of its authority, order
5 the issuance or entry of an injunction or other order to
6 enforce the provisions of this subparagraph. There shall be a
7 private right of action in favor of the underwriting member or
8 controlling company to enforce the provisions of this
9 subparagraph. No demand upon the department that it perform
10 its functions shall be required as a prerequisite to any suit
11 by the underwriting member or controlling company against any
12 other person, and in no case shall the department be deemed a
13 necessary party to any action by such underwriting member or
14 controlling company to enforce the provisions of this
15 subparagraph. Any person who makes or proposes an acquisition
16 requiring the filing of a statement pursuant to this
17 subparagraph, or who files such a statement, shall be deemed
18 to have thereby designated the Insurance Commissioner, or his
19 or her assistant or deputy or another person in charge of his
20 or her office, as such person's agent for service of process
21 under this subparagraph and shall thereby be deemed to have
22 submitted himself or herself to the administrative
23 jurisdiction of the department and to the jurisdiction of the
24 circuit court.

25 i. Any approval by the department under this
26 subparagraph does not constitute a recommendation by the
27 department for an acquisition, tender offer, or exchange
28 offer. It is unlawful for a person to represent that the
29 department's approval constitutes a recommendation. A person
30 who violates the provisions of this sub-subparagraph is guilty
31 of a felony of the third degree, punishable as provided in s.

1 775.082, s. 775.083, or s. 775.084. The statute-of-limitations
2 period for the prosecution of an offense committed under this
3 sub-subparagraph is 5 years.

4 j. Upon notification to the department by the
5 underwriting member or a controlling company that any person
6 or any affiliated person of such person has acquired 5 percent
7 or more of the outstanding voting securities of the
8 underwriting member or controlling company without complying
9 with the provisions of this subparagraph, the department shall
10 order that the person and any affiliated person of such person
11 cease acquisition of any further securities of the
12 underwriting member or controlling company; however, the
13 person or any affiliated person of such person may request a
14 proceeding, which proceeding shall be convened within 7 days
15 after the rendering of the order for the sole purpose of
16 determining whether the person, individually or in connection
17 with any affiliated person of such person, has acquired 5
18 percent or more of the outstanding voting securities of an
19 underwriting member or controlling company. Upon the failure
20 of the person or affiliated person to request a hearing within
21 7 days, or upon a determination at a hearing convened pursuant
22 to this sub-subparagraph that the person or affiliated person
23 has acquired voting securities of an underwriting member or
24 controlling company in violation of this subparagraph, the
25 department may order the person and affiliated person to
26 divest themselves of any voting securities so acquired.

27 k.(I) The department shall, if necessary to protect
28 the public interest, suspend or revoke the certificate of
29 authority of any underwriting member or controlling company:

30 (A) The control of which is acquired in violation of
31 this subparagraph;

1 (B) That is controlled, directly or indirectly, by any
2 person or any affiliated person of such person who, in
3 violation of this subparagraph, has obtained control of an
4 underwriting member or controlling company; or

5 (C) That is controlled, directly or indirectly, by any
6 person who, directly or indirectly, controls any other person
7 who, in violation of this subparagraph, acquires control of an
8 underwriting member or controlling company.

9 (II) If any underwriting member is subject to
10 suspension or revocation pursuant to sub-sub-subparagraph (I),
11 the underwriting member shall be deemed to be in such
12 condition, or to be using or to have been subject to such
13 methods or practices in the conduct of its business, as to
14 render its further transaction of insurance presently or
15 prospectively hazardous to its policyholders, creditors, or
16 stockholders or to the public.

17 1.(I) For the purpose of this sub-sub-subparagraph,
18 the term "affiliated person" of another person means:

19 (A) The spouse of such other person;

20 (B) The parents of such other person and their lineal
21 descendants and the parents of such other person's spouse and
22 their lineal descendants;

23 (C) Any person who directly or indirectly owns or
24 controls, or holds with power to vote, 5 percent or more of
25 the outstanding voting securities of such other person;

26 (D) Any person 5 percent or more of the outstanding
27 voting securities of which are directly or indirectly owned or
28 controlled, or held with power to vote, by such other person;

29 (E) Any person or group of persons who directly or
30 indirectly control, are controlled by, or are under common
31

1 control with such other person; or any officer, director,
2 partner, copartner, or employee of such other person;

3 (F) If such other person is an investment company, any
4 investment adviser of such company or any member of an
5 advisory board of such company;

6 (G) If such other person is an unincorporated
7 investment company not having a board of directors, the
8 depositor of such company; or

9 (H) Any person who has entered into an agreement,
10 written or unwritten, to act in concert with such other person
11 in acquiring or limiting the disposition of securities of an
12 underwriting member or controlling company.

13 (II) For the purposes of this section, the term
14 "controlling company" means any corporation, trust, or
15 association owning, directly or indirectly, 25 percent or more
16 of the voting securities of one or more underwriting members.

17 m. The department is authorized to adopt, amend, or
18 repeal rules that are necessary to implement the provisions of
19 this subparagraph, pursuant to chapter 120.

20 ~~43.44.~~ Background information.--The information as to
21 the background and identity of each person about whom
22 information is required to be furnished pursuant to
23 sub-subparagraph ~~42.a.43.a.~~ shall include, but shall not be
24 limited to:

25 a. Such person's occupations, positions of employment,
26 and offices held during the past 10 years.

27 b. The principal business and address of any business,
28 corporation, or other organization in which each such office
29 was held or in which such occupation or position of employment
30 was carried on.

31

1 c. Whether, at any time during such 10-year period,
2 such person was convicted of any crime other than a traffic
3 violation.

4 d. Whether, during such 10-year period, such person
5 has been the subject of any proceeding for the revocation of
6 any license and, if so, the nature of such proceeding and the
7 disposition thereof.

8 e. Whether, during such 10-year period, such person
9 has been the subject of any proceeding under the federal
10 Bankruptcy Act or whether, during such 10-year period, any
11 corporation, partnership, firm, trust, or association in which
12 such person was a director, officer, trustee, partner, or
13 other official has been subject to any such proceeding, either
14 during the time in which such person was a director, officer,
15 trustee, partner, or other official, or within 12 months
16 thereafter.

17 f. Whether, during such 10-year period, such person
18 has been enjoined, either temporarily or permanently, by a
19 court of competent jurisdiction from violating any federal or
20 state law regulating the business of insurance, securities, or
21 banking, or from carrying out any particular practice or
22 practices in the course of the business of insurance,
23 securities, or banking, together with details of any such
24 event.

25 ~~44.45.~~ Security fund.--All underwriting members shall
26 be members of the security fund of any exchange.

27 ~~45.46.~~ Underwriting member defined.--Whenever the term
28 "underwriting member" is used in this subsection, it shall be
29 construed to mean "underwriting syndicate."
30
31

1 46.47. Offsets.--Any action, requirement, or
2 constraint imposed by the department shall reduce or offset
3 similar actions, requirements, or constraints of any exchange.

4 47.48. Restriction on member ownership.--

5 a. ~~Investments existing prior to July 2, 1987.--~~The
6 investment in any member by brokers, agents, and
7 intermediaries transacting business on the exchange, and the
8 investment in any such broker, agent, or intermediary by any
9 member, directly or indirectly, shall in each case ~~be limited~~
10 ~~in the aggregate to less than 20 percent of the total~~
11 ~~investment in such member, broker, agent, or intermediary, as~~
12 ~~the case may be. After December 31, 1987, the aggregate~~
13 ~~percent of the total investment in such member by any broker,~~
14 ~~agent, or intermediary and the aggregate percent of the total~~
15 ~~investment in any such broker, agent, or intermediary by any~~
16 ~~member, directly or indirectly, shall not exceed 15 percent.~~
17 ~~After June 30, 1988, such aggregate percent shall not exceed~~
18 10 percent and after December 31, 1988, such aggregate percent
19 shall not exceed 5 percent.

20 b. Investments arising on or after July 2, 1987.--The
21 investment in any underwriting member by brokers, agents, or
22 intermediaries transacting business on the exchange, and the
23 investment in any such broker, agent, or intermediary by any
24 underwriting member, directly or indirectly, shall in each
25 case be limited in the aggregate to less than 5 percent of the
26 total investment in such underwriting member, broker, agent,
27 or intermediary.

28 48.49. "Underwriting manager" defined.--"Underwriting
29 manager" as used in this subparagraph includes any person,
30 partnership, corporation, or organization providing any of the
31 following services to underwriting members of the exchange:

1 a. Office management and allied services, including
2 correspondence and secretarial services.

3 b. Accounting services, including bookkeeping and
4 financial report preparation.

5 c. Investment and banking consultations and services.

6 d. Underwriting functions and services including the
7 acceptance, rejection, placement, and marketing of risk.

8 ~~49.50~~. Prohibition of underwriting manager
9 investment.--Any direct or indirect investment in any
10 underwriting manager by a broker member or any affiliated
11 person of a broker member or any direct or indirect investment
12 in a broker member by an underwriting manager or any
13 affiliated person of an underwriting manager is prohibited.
14 "Affiliated person" for purposes of this subparagraph is
15 defined in subparagraph ~~42~~ 43.

16 ~~50.51~~. An underwriting member may not accept
17 reinsurance on an assumed basis from an affiliate or a
18 controlling company, nor may a broker member or management
19 company place reinsurance from an affiliate or controlling
20 company of theirs with an underwriting member. "Affiliate and
21 controlling company" for purposes of this subparagraph is
22 defined in subparagraph ~~42~~ 43.

23 ~~51.52~~. Premium defined.--"Premium" is the
24 consideration for insurance, by whatever name called. Any
25 "assessment" or any "membership," "policy," "survey,"
26 "inspection," "service" fee or charge or similar fee or charge
27 in consideration for an insurance contract is deemed part of
28 the premium.

29 ~~52.53~~. Rules.--The department shall promulgate rules
30 necessary for or as an aid to the effectuation of any
31 provision of this section.

1 Section 28. Subsection (1) of section 631.911, Florida
2 Statutes, is repealed.

3 Section 29. Subsection (3) of section 631.912, Florida
4 Statutes, is repealed.

5 Section 30. Section 631.929, Florida Statutes, is
6 repealed.

7 Section 31. Section 636.016, Florida Statutes, is
8 amended to read:

9 636.016 Prepaid limited health service contracts. ~~For~~
10 ~~any entity licensed prior to October 1, 1993, all subscriber~~
11 ~~contracts in force at such time shall be in compliance with~~
12 ~~this section upon renewal of such contract.~~

13 (1) Any entity issued a certificate of authority and
14 otherwise in compliance with this act may enter into contracts
15 in this state to provide an agreed-upon set of limited health
16 services to subscribers in exchange for a prepaid per capita
17 sum or a prepaid aggregate fixed sum.

18 (a) The department shall disapprove any form filed
19 under this subsection, or withdraw any previous approval
20 thereof, if the form:

21 1. Is in any respect in violation of, or does not
22 comply with, any provision of this act or rule adopted
23 thereunder.

24 2. Contains or incorporates by reference, where such
25 incorporation is otherwise permissible, any inconsistent,
26 ambiguous, or misleading clauses or exceptions and conditions
27 which deceptively affect the risk purported to be assumed in
28 the general coverage of the contract.

29 3. Has any title, heading, or other indication of its
30 provisions which is misleading.

31

1 4. Is printed or otherwise reproduced in such a manner
2 as to render any material provision of the form substantially
3 illegible.

4 5. Contains provisions which are unfair, inequitable,
5 or contrary to the public policy of this state or which
6 encourage misrepresentation.

7 6. Charges rates that are determined by the department
8 to be inadequate, excessive, or unfairly discriminatory, or if
9 the rating methodology followed by the prepaid limited health
10 service organization is determined by the department to be
11 inconsistent with the provisions of s. 636.017.

12 (b) It is not the intent of this subsection to
13 restrict unduly the right to modify rates in the exercise of
14 reasonable business judgment.

15 (c) All contracts shall be for a minimum period of 12
16 months, unless the contract holder requests, in writing, a
17 shorter contract period.

18 (2) Every prepaid limited health service organization
19 shall provide each subscriber a contract, a certificate,
20 membership card, or member handbook which must clearly state
21 all of the services to which a subscriber is entitled under
22 the contract and must include a clear and understandable
23 statement of any limitations on the services or kinds of
24 services to be provided, including any copayment feature or
25 schedule of benefits required by the contract or by any
26 insurer or entity which is underwriting any of the services
27 offered by the prepaid limited health service organization.
28 The contract, certificate, provider listing, or member
29 handbook must also state where and in what manner the health
30 services may be obtained.

31

1 (3) The documents provided pursuant to subsection (2)
2 must have a clear and understandable description of the method
3 used by the prepaid limited health service organization for
4 resolving subscriber grievances and, for such documents
5 printed after October 1, 1998, must contain the address of the
6 department and the department's toll-free consumer hotline.

7 (4) The rate of payment for a prepaid limited health
8 services contract sold on an individual basis must be a part
9 of the contract and must be stated in individual contracts
10 issued to subscribers.

11 (5) All prepaid limited health service coverage,
12 benefits, or services for a member of the family of the
13 subscriber must, as to such family member's coverage,
14 benefits, or services, provide also that the coverage,
15 benefits, or services applicable for children will be provided
16 with respect to a preenrolled newborn child of the subscriber,
17 or covered family member of the subscriber, from the moment of
18 birth, or adoption pursuant to chapter 63.

19 (6) No alteration of any written application for any
20 prepaid limited health services contract may be made by any
21 person other than the applicant without his or her written
22 consent, except that insertions may be made by the prepaid
23 limited health service organization for administrative
24 purposes only, in such manner as to indicate clearly that such
25 insertions are not to be ascribed to the applicant.

26 (7) No contract may contain any waiver of rights or
27 benefits provided to or available to subscribers under the
28 provisions of any law or rule applicable to prepaid limited
29 health service organizations.

30 (8) Each document provided pursuant to subsection (2)
31 must state that emergency services, if any, will be provided

1 to subscribers in emergency situations not permitting
2 treatment through the prepaid limited health service
3 organization providers, without prior notification to and
4 approval of the organization. The prepaid limited health
5 services document must contain a definition of emergency
6 services, describe procedures for determination by the prepaid
7 limited health service organization of whether the services
8 qualify for reimbursement as emergency services, and contain
9 specific examples of what does constitute an emergency.

10 (9)(a) All prepaid limited health services contracts,
11 certificates, and member handbooks must contain the following
12 provision:

13 "Grace Period: This contract has a ...(insert number of
14 days, but not less than 10 days)...-day grace period. This
15 provision means that if any required premium is not paid on or
16 before the date it is due, it may be paid subsequently during
17 the grace period. During the grace period, the contract will
18 stay in force."

19 (b) Paragraph (a) does not apply to certificates or
20 member handbooks delivered to individual subscribers under a
21 group prepaid limited health services contract when the
22 employer who will hold the contract on behalf of the
23 subscriber group pays the entire premium for the individual
24 subscriber. However, such required provision applies to the
25 group prepaid limited health services contract.

26 (10) The contract must clearly disclose the intent of
27 the prepaid limited health service organization as to the
28 applicability or nonapplicability of coverage to preexisting
29 conditions. The contract must also disclose what services are
30 excludable.

31

1 (11) All prepaid limited health service organization
2 contracts which provide coverage for a member of the family of
3 the subscriber, must, as to such family member's coverage,
4 provide that coverage, benefits, or services applicable for
5 children will be provided with respect to an adopted child of
6 the subscriber, which child is placed in compliance with
7 chapter 63, from the moment of placement in the residence of
8 the subscriber. In the case of a newborn child, coverage
9 begins from the moment of birth if a written agreement to
10 adopt such child has been entered into by the subscriber prior
11 to the birth of the child whether or not such agreement is
12 enforceable. However, coverage for such child is not required
13 if the child is not ultimately adopted by the subscriber in
14 compliance with chapter 63.

15 (12) Each prepaid limited health service organization
16 shall provide prospective enrollees, upon request, with
17 written information about the terms and conditions of the plan
18 in accordance with subsection (2) to enable prospective
19 enrollees to make informed decisions about accepting a
20 managed-care system of limited health care delivery. All
21 marketing materials printed by the prepaid limited health
22 services organization, after October 1, 1997, must contain a
23 notice in boldfaced type which states that the information
24 required under this section is available to prospective
25 enrollees upon request.

26 (13) Each prepaid limited health service organization
27 shall make available to all subscribers, upon request, a
28 description of the authorization and referral process for
29 services or a description of the process used to analyze the
30 qualifications and credentials of providers under contract
31 with the organization.

1 Section 32. Subsection (1) and paragraph (a) of
2 subsection (4) of section 636.043, Florida Statutes, are
3 amended to read:

4 636.043 Annual, quarterly, and miscellaneous
5 reports.--

6 (1) Each prepaid limited health service organization
7 must file with the department annually, within 3 months after
8 the end of its fiscal year, a report verified by the oath of
9 at least two officers covering the preceding calendar year.

10 ~~Any organization licensed prior to October 1, 1993, shall not~~
11 ~~be required to file a financial statement, as required by~~
12 ~~paragraph (2)(a), based on statutory accounting principles~~
13 ~~until the first annual report for fiscal years ending after~~
14 ~~December 31, 1994.~~

15 (4) Each authorized prepaid limited health service
16 organization must file a quarterly report for each calendar
17 quarter within 45 days after the end of the quarter. The
18 report shall contain:

19 (a) A financial statement prepared in accordance with
20 statutory accounting principles. ~~Any entity licensed before~~
21 ~~October 1, 1993, shall not be required to file a financial~~
22 ~~statement based on statutory accounting principles until the~~
23 ~~first quarterly filing after the entity files its annual~~
24 ~~financial statement based on statutory accounting principles~~
25 ~~as required by subsection (1).~~

26 Section 33. Section 655.963, Florida Statutes, is
27 repealed.

28 Section 34. Section 713.5955, Florida Statutes, is
29 repealed.

30 Section 35. Section 717.104, Florida Statutes, is
31 repealed.

1 Section 36. Subsection (1) of section 717.105, Florida
2 Statutes, is amended to read:

3 717.105 Checks, drafts, and similar instruments issued
4 or certified by banking and financial organizations.--

5 (1) Any sum payable on a check, draft, or similar
6 instrument, except those subject to s.ss. 717.104 and
7 717.115, on which a banking or financial organization is
8 directly liable, including, by way of illustration and not
9 limitation, a cashier's check and a certified check, which has
10 been outstanding for more than 5 years after it was payable or
11 after its issuance if payable on demand, is presumed abandoned
12 unless the owner, within 5 years, has communicated in writing
13 with the banking or financial organization concerning it or
14 otherwise indicated an interest as evidenced by a memorandum
15 or other record on file prepared by an employee of the banking
16 or financial organization.

17 Section 37. Subsection (4) of section 717.118, Florida
18 Statutes, is repealed.

19 Section 38. Subsection (3) of section 721.24, Florida
20 Statutes, is amended to read:

21 721.24 Firesafety.--

22 (3) The Division of State Fire Marshal of the
23 Department of Insurance may prescribe uniform standards for
24 firesafety equipment for timeshare units of timeshare plans
25 for which the construction contracts were let before October
26 1, 1983. An entire building shall be equipped as outlined,
27 ~~except that the approved sprinkler system may be delayed by~~
28 ~~the Division of State Fire Marshal until October 1, 1991, on a~~
29 ~~schedule for complete compliance in accordance with rules~~
30 ~~adopted by the Division of State Fire Marshal, which schedule~~
31 ~~shall include a provision for a 1-year extension which may be~~

1 ~~granted not more than three times for any individual~~
2 ~~requesting an extension. The entire system must be installed~~
3 ~~and operational by October 1, 1994. The Division of State Fire~~
4 ~~Marshal shall not grant an extension for the approved~~
5 ~~sprinkler system unless a written request for the extension~~
6 ~~and a construction work schedule is submitted. The Division of~~
7 ~~State Fire Marshal may grant an extension upon demonstration~~
8 ~~that compliance with this section by the date required would~~
9 ~~impose an extreme hardship and a disproportionate financial~~
10 ~~impact. Any establishment that has been granted an extension~~
11 ~~by the Division of State Fire Marshal shall post, in a~~
12 ~~conspicuous place on the premises, a public notice stating~~
13 ~~that the establishment has not yet installed the approved~~
14 ~~sprinkler system required by law.~~

15 Section 39. Paragraph (d) of subsection (2) of section
16 744.7021, Florida Statutes, is amended to read:

17 744.7021 Statewide Public Guardianship Office.--There
18 is hereby created the Statewide Public Guardianship Office
19 within the Department of Elderly Affairs. The Department of
20 Elderly Affairs shall provide administrative support and
21 service to the office to the extent requested by the executive
22 director within the available resources of the department. The
23 Statewide Public Guardianship Office may request the
24 assistance of the Inspector General of the Department of
25 Elderly Affairs in providing auditing services, and the Office
26 of General Counsel of the department may provide assistance in
27 rulemaking and other matters as needed to assist the Statewide
28 Public Guardianship Office. The Statewide Public Guardianship
29 Office shall not be subject to control, supervision, or
30 direction by the Department of Elderly Affairs in the
31 performance of its duties.

1 (2) The Statewide Public Guardianship Office shall,
2 within available resources, have oversight responsibilities
3 for all public guardians.

4 (d) ~~No later than October 1, 2000, the office shall~~
5 ~~submit to the Governor, the President of the Senate, the~~
6 ~~Speaker of the House of Representatives, and the Chief Justice~~
7 ~~of the Supreme Court an interim report describing the progress~~
8 ~~of the office in meeting the goals as described in this~~
9 ~~section.~~No later than October 1, 2001, the office shall
10 submit to the Governor, the President of the Senate, the
11 Speaker of the House of Representatives, and the Chief Justice
12 of the Supreme Court a proposed public guardianship plan
13 including alternatives for meeting the state's guardianship
14 needs. This plan may include recommendations for less than the
15 entire state, may include a phase-in system, and shall include
16 estimates of the cost of each of the alternatives. Each year
17 thereafter, the office shall provide a status report and
18 provide further recommendations to address the need for public
19 guardianship services and related issues.

20 Section 40. Section 753.004, Florida Statutes, is
21 repealed.

22 Section 41. This act shall take effect July 1, 2001.
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HOUSE SUMMARY

Repeals various provisions of law that have become obsolete, have had their effect, have served their purpose, or have been impliedly repealed or superseded. Repeals or deletes provisions relating to assessment of information on performance measures and standards provided by agencies to be submitted to the Governor by agency inspectors general; the transfer of the Division of Blind Services from the Department of Labor and Employment Security; qualifications of county court judges; adoption of rules of criminal procedure; lands subject to tax sale certificates and assessments; limitation on aviation fuel tax; the sales, rental, use, consumption, distribution, and storage tax; rulemaking authority to implement s. 220.15(2)(c), (4)(c), and (8), F.S.; report by Board of Regents; xeriscape landscaping on public property; regional water supply planning; standards for compressed air used for recreational diving; implementation plan for a districtwide comprehensive child and adolescent mental health information and referral network; state disbursement unit; evaluations and recommendations relating to the drug-screening and drug-testing program; changes in membership categories; a report to the Legislature by the Workers' Compensation Oversight Board; convictions, findings, adjudications, and pleas; building code administrators, plans examiners, and building code inspectors; legislative findings relating to Appaloosa racing and breeding; risk-based capital reports; multiple-employer welfare arrangements; establishment of criteria by the continuing education advisory board; the required surplus as to policyholders for surplus lines insurers; readable language in insurance policies; medical malpractice insurance contracts; operating losses by insurers; capitalization by underwriting members and certain investments existing prior to July 2, 1987; creation of the Florida Workers' Compensation Insurance Guaranty Association, Incorporated, and the merger and effect of merger thereof; prepaid limited health service organizations licensed prior to October 1, 1993; financial statements required by certain prepaid limited health service organizations; acquisition of title to unclaimed molds; traveler's checks and money orders; notice and publication of lists of abandoned property; delay of installation of firesafety equipment for timeshare units of timeshare plans; submission of report relating to the Statewide Public Guardianship Office; and supervised visitation projects. See bill for details.