

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3           repealed provisions of law; repealing various  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6           purpose, or have been impliedly repealed or  
7           superseded; deleting the Division of Blind  
8           Services from the Department of Labor and  
9           Employment Security to conform to the transfer  
10          of said division by chapter 99-240, Laws of  
11          Florida; repealing s. 34.021(3), F.S., relating  
12          to qualifications of county court judges;  
13          amending s. 39.824, F.S.; deleting obsolete  
14          provision relating to adoption of rules of  
15          criminal procedure; repealing s. 193.102(1),  
16          F.S., relating to obsolete provisions relating  
17          to lands subject to tax sale certificates and  
18          assessments; repealing s. 206.9825(2), F.S.,  
19          relating to limitation on aviation fuel tax;  
20          amending s. 212.08, F.S.; repealing obsolete  
21          provisions relating to the sales, rental, use,  
22          consumption, distribution, and storage tax;  
23          amending s. 220.1501, F.S., relating to  
24          rulemaking authority to implement s.  
25          220.15(2)(c), (4)(c), and (8), F.S.; deleting  
26          obsolete provision relating to report by Board  
27          of Regents; repealing s. 255.259(3), F.S.;  
28          deleting obsolete provision relating to  
29          xeriscape landscaping on public property;  
30          repealing s. 373.0361(3), F.S.; deleting  
31          obsolete provision relating to regional water

1 supply planning; repealing s. 381.895(7), F.S.,  
2 relating to standards for compressed air used  
3 for recreational diving; deleting obsolete  
4 effective date for said section; amending s.  
5 394.4985, F.S.; deleting obsolete provision  
6 relating to implementation plan for a  
7 districtwide comprehensive child and adolescent  
8 mental health information and referral network;  
9 repealing s. 409.2559, F.S., relating to state  
10 disbursement unit; repealing s. 414.70(5),  
11 F.S.; deleting obsolete provision relating to  
12 evaluations and recommendations relating to the  
13 drug-screening and drug-testing program;  
14 amending s. 420.504, F.S.; repealing obsolete  
15 provision relating to changes in membership  
16 categories; amending s. 440.4416, F.S.;  
17 repealing obsolete provision relating to a  
18 report to the Legislature by the Workers'  
19 Compensation Oversight Board; repealing s.  
20 468.609(6)(b), F.S.; deleting obsolete  
21 provision relating to building code  
22 administrators, plans examiners, and building  
23 code inspectors; repealing s. 570.381(1), F.S.,  
24 relating to legislative findings relating to  
25 Appaloosa racing and breeding; repealing s.  
26 624.4085(11), F.S., relating to risk-based  
27 capital reports; repealing s. 624.4392(2),  
28 F.S., relating to multiple-employer welfare  
29 arrangements; amending s. 626.2815, F.S.;  
30 repealing obsolete provision relating to  
31 establishment of criteria by the continuing

1 education advisory board; amending s. 626.918,  
2 F.S.; repealing obsolete provisions relating to  
3 the required surplus as to policyholders for  
4 surplus lines insurers; repealing s. 627.4145  
5 (6)(e), F.S., relating to obsolete exception to  
6 provisions relating to readable language in  
7 insurance policies; repealing s. 627.4147(3),  
8 F.S., relating to expired provision relating to  
9 medical malpractice insurance contracts;  
10 amending s. 627.6492, F.S.; repealing obsolete  
11 provision relating to operating losses by  
12 insurers; amending s. 629.401, F.S.; deleting  
13 obsolete provisions relating to capitalization  
14 by underwriting members and certain investments  
15 existing prior to July 2, 1987; repealing s.  
16 631.911(1), F.S., relating to creation of the  
17 Florida Workers' Compensation Insurance  
18 Guaranty Association, Incorporated, merger, and  
19 effect of merger; repealing s. 631.912(3),  
20 F.S., relating to board of directors of the  
21 Florida Workers' Compensation Insurance  
22 Guaranty Association, Incorporated; deleting  
23 references to s. 631.911(1), F. S., to conform;  
24 repealing s. 631.929, F.S., relating to  
25 election of remedies; amending s. 636.016,  
26 F.S.; repealing obsolete provision relating to  
27 prepaid limited health service organizations  
28 licensed prior to October 1, 1993; amending s.  
29 636.043, F.S.; repealing obsolete provisions  
30 relating to financial statements required by  
31 certain prepaid limited health service

1 organizations; repealing s. 713.5955, F.S.,  
2 relating to acquisition of title to unclaimed  
3 molds; amending s. 721.24, F.S.; repealing  
4 obsolete provisions relating to delay of  
5 installation of firesafety equipment for  
6 timeshare units of timeshare plans; amending s.  
7 744.7021, F.S.; repealing obsolete provision  
8 relating to submission of report relating to  
9 the Statewide Public Guardianship Office;  
10 repealing s. 753.004, F.S., relating to  
11 supervised visitation projects; providing an  
12 effective date.

13  
14 Be It Enacted by the Legislature of the State of Florida:

15  
16 Section 1. Subsection (3) of section 34.021, Florida  
17 Statutes, is repealed.

18 Section 2. Subsection (1) of section 39.824, Florida  
19 Statutes, is amended to read:

20 39.824 Procedures and jurisdiction.--

21 (1) ~~The Supreme Court is requested to adopt rules of~~  
22 ~~juvenile procedure by October 1, 1989, to implement this part.~~

23 All procedures, including petitions, pleadings, subpoenas,  
24 summonses, and hearings in cases for the appointment of a  
25 guardian advocate shall be according to the Florida Rules of  
26 Juvenile Procedure unless otherwise provided by law.

27 Section 3. Subsection (1) of section 193.102, Florida  
28 Statutes, is repealed.

29 Section 4. Subsection (2) of section 206.9825, Florida  
30 Statutes, is repealed.

31

1           Section 5. Paragraphs (ff) and (zz) of subsection (7)  
2 and paragraph (d) of subsection (17) of section 212.08,  
3 Florida Statutes, are amended to read:

4           212.08 Sales, rental, use, consumption, distribution,  
5 and storage tax; specified exemptions.--The sale at retail,  
6 the rental, the use, the consumption, the distribution, and  
7 the storage to be used or consumed in this state of the  
8 following are hereby specifically exempt from the tax imposed  
9 by this chapter.

10           (7) MISCELLANEOUS EXEMPTIONS.--

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

12           1. Subject to the provisions of subparagraph 4.,  
13 charges for electricity or steam used to operate machinery and  
14 equipment at a fixed location in this state when such  
15 machinery and equipment is used to manufacture, process,  
16 compound, produce, or prepare for shipment items of tangible  
17 personal property for sale, or to operate pollution control  
18 equipment, recycling equipment, maintenance equipment, or  
19 monitoring or control equipment used in such operations are  
20 exempt to the extent provided in this paragraph. If 75 percent  
21 or more of the electricity or steam used at the fixed location  
22 is used to operate qualifying machinery or equipment, 100  
23 percent of the charges for electricity or steam used at the  
24 fixed location are exempt. If less than 75 percent but 50  
25 percent or more of the electricity or steam used at the fixed  
26 location is used to operate qualifying machinery or equipment,  
27 50 percent of the charges for electricity or steam used at the  
28 fixed location are exempt. If less than 50 percent of the  
29 electricity or steam used at the fixed location is used to  
30 operate qualifying machinery or equipment, none of the charges

31

1 for electricity or steam used at the fixed location are  
2 exempt.

3           2. This exemption applies only to industries  
4 classified under SIC Industry Major Group Numbers 10, 12, 13,  
5 14, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34,  
6 35, 36, 37, 38, and 39 and Industry Group Number 212. As used  
7 in this paragraph, "SIC" means those classifications contained  
8 in the Standard Industrial Classification Manual, 1987, as  
9 published by the Office of Management and Budget, Executive  
10 Office of the President.

11           3. Possession by a seller of a written certification  
12 by the purchaser, certifying the purchaser's entitlement to an  
13 exemption permitted by this subsection, relieves the seller  
14 from the responsibility of collecting the tax on the  
15 nontaxable amounts, and the department shall look solely to  
16 the purchaser for recovery of such tax if it determines that  
17 the purchaser was not entitled to the exemption.

18           4. Such exemption shall be applied as follows:

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

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

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

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

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

29           5. Notwithstanding any other provision in this  
30 paragraph to the contrary, in order to receive the exemption  
31 provided in this paragraph a taxpayer must first register with

1 the WAGES Program Business Registry established by the local  
2 WAGES coalition for the area in which the taxpayer is located.  
3 Such registration establishes a commitment on the part of the  
4 taxpayer to hire WAGES program participants to the maximum  
5 extent possible consistent with the nature of their business.

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

12 ~~b. The report shall be submitted no later than January~~  
13 ~~1, 2001, and must be comprehensive in scope, but, at a~~  
14 ~~minimum, must be conducted in such a manner as to specifically~~  
15 ~~determine the number of companies within each SIC Industry~~  
16 ~~Major Group receiving the exemption as of September 1, 2000,~~  
17 ~~the number of individuals employed by companies within each~~  
18 ~~SIC Industry Major Group receiving the exemption as of~~  
19 ~~September 1, 2000, whether the change, if any, in such number~~  
20 ~~of companies or employees is attributable to the exemption~~  
21 ~~provided in this paragraph, whether it would be sound public~~  
22 ~~policy to continue or discontinue the exemption, and the~~  
23 ~~consequences of doing so.~~

24 ~~c. The report shall be submitted to the President of~~  
25 ~~the Senate, the Speaker of the House of Representatives, the~~  
26 ~~Senate Minority Leader, and the House Minority Leader.~~

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

28 1. Subject to the provisions of subparagraphs 2. and  
29 3., there is exempt from the tax imposed by this chapter all  
30 labor charges for the repair of, and parts and materials used  
31 in the repair of and incorporated into, industrial machinery

1 and equipment which is used for the manufacture, processing,  
2 compounding, production, or preparation for shipping of items  
3 of tangible personal property at a fixed location within this  
4 state.

5           2. This exemption applies only to industries  
6 classified under SIC Industry Major Group Numbers 10, 12, 13,  
7 14, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34,  
8 35, 36, 37, 38, and 39 and Industry Group Number 212. As used  
9 in this subparagraph, "SIC" means those classifications  
10 contained in the Standard Industrial Classification Manual,  
11 1987, as published by the Office of Management and Budget,  
12 Executive Office of the President.

13           3. This exemption shall be applied as follows:

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

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

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

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

22  
23 Exemptions provided to any entity by this subsection shall not  
24 inure to any transaction otherwise taxable under this chapter  
25 when payment is made by a representative or employee of such  
26 entity by any means, including, but not limited to, cash,  
27 check, or credit card even when that representative or  
28 employee is subsequently reimbursed by such entity.

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

30           (d) The exemption provided in this subsection applies  
31 as follows:



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

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

7 1.3. Beginning July 1, 2001, the tax imposed by this  
8 chapter shall be applicable to 40 percent of the sales price  
9 or cost price of such overhead materials.

10 2.4. Beginning July 1, 2002, the tax imposed by this  
11 chapter shall be applicable to 20 percent of the sales price  
12 or cost price of such overhead materials.

13 3.5. Beginning July 1, 2003, the entire sales price or  
14 cost price of such overhead materials is exempt from the tax  
15 imposed by this chapter.

16  
17 The exemption provided in this subsection does not apply to  
18 any part of the cost of overhead materials allocated to a  
19 contract that is not a qualifying contract.

20 Section 6. Section 220.1501, Florida Statutes, is  
21 amended to read:

22 220.1501 Rulemaking authority to implement s.  
23 220.15(2)(c), (4)(c), and (8).--The Department of Revenue has  
24 authority to adopt rules pursuant to the Administrative  
25 Procedure Act to implement s. 220.15(2)(c), (4)(c), and (8),  
26 as created by chapter 98-325, Laws of Florida. ~~The Board of~~  
27 ~~Regents and the president of each participating nonpublic~~  
28 ~~university shall monitor the various sponsored research~~  
29 ~~contracts and make a report to the Speaker of the House of~~  
30 ~~Representatives and to the President of the Senate by February~~  
31 ~~1, 2000, which shall provide any necessary information which~~

1 ~~indicates if the provisions of chapter 98-325 have been~~  
2 ~~successful in attracting additional sponsored research~~  
3 ~~contracts.~~

4 Section 7. Subsection (3) of section 255.259, Florida  
5 Statutes, is repealed.

6 Section 8. Subsection (3) of section 373.0361, Florida  
7 Statutes, is repealed.

8 Section 9. Subsection (7) of section 381.895, Florida  
9 Statutes, is repealed.

10 Section 10. Subsection (1) of section 394.4985,  
11 Florida Statutes, is amended to read:

12 394.4985 Districtwide information and referral  
13 network; implementation.--

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

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

- 1 1. Type of program;
- 2 2. Hours of service;
- 3 3. Ages of persons served;
- 4 4. Program description;
- 5 5. Eligibility requirements; and
- 6 6. Fees.

7 (b) Information about private providers and  
8 professionals in the community which serve children and  
9 adolescents with an emotional disturbance.

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

- 13 1. Number of calls by type of service requested;
- 14 2. Ages of the children and adolescents for whom  
15 services are requested; and
- 16 3. Type of referral made by the network.

17 (d) The ability to share client information with the  
18 appropriate community agencies.

19 (e) The submission of an annual report to the  
20 department, the Agency for Health Care Administration, and  
21 appropriate local government entities, which contains  
22 information about the sources and frequency of requests for  
23 information, types and frequency of services requested, and  
24 types and frequency of referrals made.

25 Section 11. Section 409.2559, Florida Statutes, is  
26 repealed.

27 Section 12. Subsection (5) of section 414.70, Florida  
28 Statutes, as amended by chapters 2000-165 and 2000-337, Laws  
29 of Florida, is repealed.

30 Section 13. Subsection (3) of section 420.504, Florida  
31 Statutes, is amended to read:

1           420.504 Public corporation; creation, membership,  
2 terms, expenses.--

3           (3) The corporation is a separate budget entity and is  
4 not subject to control, supervision, or direction by the  
5 Department of Community Affairs in any manner, including, but  
6 not limited to, personnel, purchasing, transactions involving  
7 real or personal property, and budgetary matters. The  
8 corporation shall consist of a board of directors composed of  
9 the Secretary of Community Affairs as an ex officio and voting  
10 member and eight members appointed by the Governor subject to  
11 confirmation by the Senate from the following:

12           (a) One citizen actively engaged in the residential  
13 home building industry.

14           (b) One citizen actively engaged in the banking or  
15 mortgage banking industry.

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

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

20           (e) One citizen actively engaged in the commercial  
21 building industry.

22           (f) One citizen who is a former local government  
23 elected official.

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

27  
28 ~~The changes in membership categories required by this act~~  
29 ~~shall be effective when the term of one citizen member expires~~  
30 ~~in 1998.~~

1           Section 14. Paragraph (a) of subsection (2) of section  
2 440.4416, Florida Statutes, is amended to read:

3           440.4416 Workers' Compensation Oversight Board.--

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

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

8           1. Conduct public hearings.

9           ~~2. Report to the Legislature by January 1, 1995, as to  
10 the feasibility of a return-to-work program that includes  
11 incentives for employers who encourage such a program and  
12 disincentives for employers who hinder such a program.~~

13           ~~2.3.~~ Prescribe qualifications for board employees.

14           ~~3.4.~~ Appear on its own behalf before other boards,  
15 commissions, or agencies of the state or Federal Government.

16           ~~4.5.~~ Make and execute contracts to the extent that  
17 such contracts are consistent with duties and powers set forth  
18 in this section and elsewhere in the law of this state.

19           Section 15. Paragraph (b) of subsection (6) of section  
20 468.609, Florida Statutes, is repealed.

21           Section 16. Subsection (1) of section 570.381, Florida  
22 Statutes, is repealed.

23           Section 17. Subsection (11) of section 624.4085,  
24 Florida Statutes, is repealed.

25           Section 18. Subsection (2) of section 624.4392,  
26 Florida Statutes, is repealed.

27           Section 19. Paragraph (a) of subsection (6) of section  
28 626.2815, Florida Statutes, is amended to read:

29           626.2815 Continuing education required; application;  
30 exceptions; requirements; penalties.--

31

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

16           Section 20. Paragraph (d) of subsection (2) of section  
17 626.918, Florida Statutes, is amended to read:

18           626.918 Eligible surplus lines insurers.--

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

22           (d)1. The insurer must have and maintain surplus as to  
23 policyholders of not less than \$15 million; in addition, an  
24 alien insurer must also have and maintain in the United States  
25 a trust fund for the protection of all its policyholders in  
26 the United States under terms deemed by the department to be  
27 reasonably adequate, in an amount not less than \$5.4 million.  
28 Any such surplus as to policyholders or trust fund shall be  
29 represented by investments consisting of eligible investments  
30 for like funds of like domestic insurers under part II of  
31 chapter 625 provided, however, that in the case of an alien

1 insurance company, any such surplus as to policyholders may be  
2 represented by investments permitted by the domestic regulator  
3 of such alien insurance company if such investments are  
4 substantially similar in terms of quality, liquidity, and  
5 security to eligible investments for like funds of like  
6 domestic insurers under part II of chapter 625;

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

10 ~~a. On December 31, 1994, and until December 30, 1995,~~  
11 ~~\$2.5 million.~~

12 ~~b. On December 31, 1995, and until December 30, 1996,~~  
13 ~~\$3.5 million.~~

14 ~~c. On December 31, 1996, and until December 30, 1997,~~  
15 ~~\$4.5 million.~~

16 ~~d. On December 31, 1997, and until December 30, 1998,~~  
17 ~~\$5.5 million.~~

18 ~~e. On December 31, 1998, and until December 30, 1999,~~  
19 ~~\$6.5 million.~~

20 ~~f. On December 31, 1999, and until December 30, 2000,~~  
21 ~~\$8 million.~~

22 a.g. On December 31, 2000, and until December 30,  
23 2001, \$9.5 million.

24 b.h. On December 31, 2001, and until December 30,  
25 2002, \$11 million.

26 c.i. On December 31, 2002, and until December 30,  
27 2003, \$13 million.

28 d.j. On December 31, 2003, and thereafter, \$15  
29 million.

30 3. The capital and surplus requirements as set forth  
31 in subparagraph 2. do not apply in the case of an insurance

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

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

23  
24 The election shall be submitted to the department and shall be  
25 effective upon the department's being satisfied that the  
26 requirements of subparagraph 4. have been met. The initial  
27 date of election shall be the date of department approval. The  
28 election approval application shall be on a form adopted by  
29 department rule. The department may approve an election form  
30 submitted pursuant to subparagraph 4. only if it was on file  
31 with the department before February 28, 1998;



1           Section 21. Paragraph (e) of subsection (6) of section  
2 627.4145, Florida Statutes, is repealed.

3           Section 22. Subsection (3) of section 627.4147,  
4 Florida Statutes, is repealed.

5           Section 23. Paragraph (b) of subsection (1) of section  
6 627.6492, Florida Statutes, is amended to read:

7           627.6492 Participation of insurers.--

8           (1)

9           (b) ~~For operating losses incurred from July 1, 1991,~~  
10 ~~through December 31, 1991, the total of all assessments upon a~~  
11 ~~participating insurer shall not exceed .375 percent of such~~  
12 ~~insurer's health insurance premiums earned in this state~~

13 ~~during 1990.~~For operating losses incurred in 1992 and  
14 thereafter, the total of all assessments upon a participating  
15 insurer shall not exceed 1 percent of such insurer's health  
16 insurance premium earned in this state during the calendar  
17 year preceding the year for which the assessments were levied.

18           Section 24. Paragraph (b) of subsection (6) of section  
19 629.401, Florida Statutes, is amended to read:

20           629.401 Insurance exchange.--

21           (6)

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

25           1. General examination powers.--The department shall  
26 examine the affairs, transactions, accounts, records, and  
27 assets of any security fund, exchange, members, and associate  
28 brokers as often as it deems advisable. The examination may be  
29 conducted by the accredited examiners of the department at the  
30 offices of the entity or person being examined. The department

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1 shall examine in like manner each prospective member or  
2 associate broker applying for membership in an exchange.

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

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

9           b. Name, residence address, business background, and  
10 qualifications of each person associated or to be associated  
11 in the formation or financing of the underwriting member.

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

17           d. Full disclosure of the terms of all understandings  
18 and agreements existing or proposed for management or  
19 exclusive agency contracts.

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

24           a. The character, reputation, financial standing, and  
25 motives of the organizers, incorporators, or subscribers  
26 organizing the proposed underwriting member.

27           b. The character, financial responsibility, insurance  
28 experience, and business qualifications of its proposed  
29 officers.

30  
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1           c. The character, financial responsibility, business  
2 experience, and standing of the proposed stockholders and  
3 directors, or owners.

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

16           5. Alternate financial statement.--In lieu of any  
17 financial examination, the department may accept an audited  
18 financial statement.

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

27           7. Obstruction of examinations.--Any person or entity  
28 who or which willfully obstructs the department or its  
29 examiner in an examination is guilty of a misdemeanor of the  
30 second degree, punishable as provided in s. 775.082 or s.  
31 775.083.

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

26           9. Record maintenance.--Each underwriting member shall  
27 have and maintain its principal place of business in this  
28 state and shall keep therein complete records of its assets,  
29 transactions, and affairs in accordance with such methods and  
30 systems as are customary for or suitable to the kind or kinds  
31 of insurance transacted.

1           10. Examination of agents.--If the department has  
2 reason to believe that any agent, as defined in s. 626.041, s.  
3 626.051, s. 626.062, or s. 626.914, has violated or is  
4 violating any provision of the insurance law, or upon receipt  
5 of a written complaint signed by any interested person  
6 indicating that any such violation may exist, the department  
7 shall conduct such examination as it deems necessary of the  
8 accounts, records, documents, and transactions pertaining to  
9 or affecting the insurance affairs of such agent.

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

25           12. Admissibility of reports.--The report of an  
26 examination when filed shall be admissible in evidence in any  
27 action or proceeding brought by the department against the  
28 person or entity examined, or against his or her or its  
29 officers, employees, or agents. The department or its  
30 examiners may at any time testify and offer other proper  
31 evidence as to information secured or matters discovered

1 during the course of an examination, whether or not a written  
2 report of the examination has been either made, furnished, or  
3 filed in the department.

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

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

17 15. Examination costs.--Each person or entity examined  
18 by the department shall pay to the department the expenses  
19 incurred in such examination.

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

24 17. Powers of examiners.--Any examiner appointed by  
25 the department, as to the subject of any examination,  
26 investigation, or hearing being conducted by him or her, may  
27 administer oaths, examine and cross-examine witnesses, and  
28 receive oral and documentary evidence, and shall have the  
29 power to subpoena witnesses, compel their attendance and  
30 testimony, and require by subpoena the production of books,  
31 papers, records, files, correspondence, documents, or other

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

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

20       19. Self-incrimination.--

21       a. If any person asks to be excused from attending or  
22 testifying or from producing any books, papers, records,  
23 contracts, documents, or other evidence in connection with any  
24 examination, hearing, or investigation being conducted by the  
25 department or its examiner, on the ground that the testimony  
26 or evidence required of the person may tend to incriminate him  
27 or her or subject him or her to a penalty or forfeiture, and  
28 the person notwithstanding is directed to give such testimony  
29 or produce such evidence, he or she shall, if so directed by  
30 the department and the Department of Legal Affairs,  
31 nonetheless comply with such direction; but the person shall

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

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

26       20. Penalty for failure to testify.--Any person who  
27 refuses or fails, without lawful cause, to testify relative to  
28 the affairs of any member, associate broker, or other person  
29 when subpoenaed and requested by the department to so testify,  
30 as provided in subparagraph 17., shall, in addition to the  
31 penalty provided in subparagraph 17., be guilty of a



1 misdemeanor of the second degree, punishable as provided in s.  
2 775.082 or s. 775.083.

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

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

1 625.301-625.340. The portion of the paid-in capital and  
2 surplus in any security fund of an exchange shall be invested  
3 in a manner limited to investments for life insurance  
4 companies under the Florida insurance laws.

5 23. Limitations on coverage written.--

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

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

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

27 (II) For purposes of this sub-subparagraph, the term  
28 "gross written premiums" means direct premiums written and  
29 reinsurance assumed.

30 c. Surplus as to policyholders.--For the purpose of  
31 determining the limitation on coverage written, surplus as to

1 policyholders shall be deemed to include any voluntary  
2 reserves, or any part thereof, which are not required by or  
3 pursuant to law and shall be determined from the last sworn  
4 statement of such underwriting member with the department, or  
5 by the last report or examination filed by the department,  
6 whichever is more recent at the time of assumption of such  
7 risk.

8           24. Unearned premium reserves.--All unearned premium  
9 reserves for business written on the exchange shall be  
10 calculated on a monthly or more frequent basis or on such  
11 other basis as determined by the department; except that all  
12 premiums on any marine or transportation insurance trip risk  
13 shall be deemed unearned until the trip is terminated.

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

22           26. Distribution of profits.--An underwriting member  
23 shall not distribute any profits in the form of cash or other  
24 assets to owners except out of that part of its available and  
25 accumulated surplus funds which is derived from realized net  
26 operating profits on its business and realized capital gains.  
27 In any one year such payments to owners shall not exceed 30  
28 percent of such surplus as of December 31 of the immediately  
29 preceding year, unless otherwise approved by the department.  
30 No distribution of profits shall be made that would render an  
31 underwriting member either impaired or insolvent.

1           27. Stock dividends.--A stock dividend may be paid by  
2 an underwriting member out of any available surplus funds in  
3 excess of the aggregate amount of surplus advanced to the  
4 underwriting member under subparagraph 29.

5           28. Dividends from earned surplus.--A dividend  
6 otherwise lawful may be payable out of an underwriting  
7 member's earned surplus even though the total surplus of the  
8 underwriting member is then less than the aggregate of its  
9 past contributed surplus resulting from issuance of its  
10 capital stock at a price in excess of the par value thereof.

11           29. Borrowing of money by underwriting members.--

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

25           b. Money so borrowed, together with any interest  
26 thereon if so stipulated in the agreement, shall not form a  
27 part of the underwriting member's legal liabilities except as  
28 to its surplus in excess of the amount thereof stipulated in  
29 the agreement, nor be the basis of any setoff; but until  
30 repayment, financial statements filed or published by an  
31 underwriting member shall show as a footnote thereto the

1 amount thereof then unpaid, together with any interest thereon  
2 accrued but unpaid.

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

14           31. Prohibited conduct.--The following acts by a  
15 member, associate broker, or affiliated person shall  
16 constitute prohibited conduct:

17           a. Fraud.

18           b. Fraudulent or dishonest acts committed by a member  
19 or associate broker prior to admission to an exchange, if the  
20 facts and circumstances were not disclosed to the department  
21 upon application to become a member or associate broker.

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

23           d. Unethical or improper practices or conduct,  
24 inconsistent with just and equitable principles of trade as  
25 set forth in, but not limited to, ss. 626.951-626.9641 and  
26 626.973.

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

29           f. Misstatements made under oath or upon an  
30 application for membership on an exchange.

31

1           g. Failure to testify or produce documents when  
2 requested by the department.

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

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

7           j. Violation of the constitution and bylaws of the  
8 exchange.

9           32. Penalties for participating in prohibited  
10 conduct.--

11           a. The department may order the suspension of further  
12 transaction of business on the exchange of any member or  
13 associate broker found to have engaged in prohibited conduct.  
14 In addition, any member or associate broker found to have  
15 engaged in prohibited conduct may be subject to reprimand,  
16 censure, and/or a fine not exceeding \$25,000 imposed by the  
17 department.

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

23           33. Reduction of penalties.--Any suspension,  
24 reprimand, censure, or fine may be remitted or reduced by the  
25 department on such terms and conditions as are deemed fair and  
26 equitable.

27           34. Other offenses.--Any member or associate broker  
28 that is suspended shall be deprived, during the period of  
29 suspension, of all rights and privileges of a member or of an  
30 associate broker and may be proceeded against by the  
31

1 department for any offense committed either before or after  
2 the date of suspension.

3 35. Reinstatement.--Any member or associate broker  
4 that is suspended may be reinstated at any time on such terms  
5 and conditions as the department may specify.

6 36. Remittance of fines.--Fines imposed under this  
7 section shall be remitted to the department and shall be paid  
8 into the Insurance Commissioner's Regulatory Trust Fund.

9 37. Failure to pay fines.--When a member or associate  
10 broker has failed to pay a fine for 15 days after it becomes  
11 payable, such member or associate broker shall be suspended,  
12 unless the department has granted an extension of time to pay  
13 such fine.

14 38. Changes in ownership or assets.--In the event of a  
15 major change in the ownership or a major change in the assets  
16 of an underwriting member, the underwriting member shall  
17 report such change in writing to the department within 30 days  
18 of the effective date thereof. The report shall set forth the  
19 details of the change. Any change in ownership or assets of  
20 more than 5 percent shall be considered a major change.

21 39. Retaliation.--

22 a. When by or pursuant to the laws of any other state  
23 or foreign country any taxes, licenses, or other fees, in the  
24 aggregate, and any fines, penalties, deposit requirements, or  
25 other material obligations, prohibitions, or restrictions are  
26 or would be imposed upon an exchange or upon the agents or  
27 representatives of such exchange which are in excess of such  
28 taxes, licenses, and other fees, in the aggregate, or which  
29 are in excess of such fines, penalties, deposit requirements,  
30 or other obligations, prohibitions, or restrictions directly  
31 imposed upon similar exchanges or upon the agents or

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

11         b. Any tax, license, or other obligation imposed by  
12 any city, county, or other political subdivision or agency of  
13 a state, jurisdiction, or foreign country on an exchange, or  
14 on the agents or representatives on an exchange, shall be  
15 deemed to be imposed by such state, jurisdiction, or foreign  
16 country within the meaning of sub-subparagraph a.

17         40. Agents.--

18         a. Agents as defined in ss. 626.041, 626.051, 626.062,  
19 and 626.914 who are broker members or associate broker members  
20 of an exchange shall be allowed only to place on an exchange  
21 the same kind or kinds of business that the agent is licensed  
22 to place pursuant to Florida law. Direct Florida business as  
23 defined in s. 626.916 or s. 626.917 shall be written through a  
24 broker member who is a surplus lines agent as defined in s.  
25 626.914. The activities of each broker member or associate  
26 broker with regard to an exchange shall be subject to all  
27 applicable provisions of the insurance laws of this state, and  
28 all such activities shall constitute transactions under his or  
29 her license as an insurance agent for purposes of the Florida  
30 insurance law.

31



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

14           41. Improperly issued contracts, riders, and  
15 endorsements.--

16           a. Any insurance policy, rider, or endorsement issued  
17 by an underwriting member and otherwise valid which contains  
18 any condition or provision not in compliance with the  
19 requirements of this section shall not be thereby rendered  
20 invalid, except as provided in s. 627.415, but shall be  
21 construed and applied in accordance with such conditions and  
22 provisions as would have applied had such policy, rider, or  
23 endorsement been in full compliance with this section. In the  
24 event an underwriting member issues or delivers any policy for  
25 an amount which exceeds any limitations otherwise provided in  
26 this section, the underwriting member shall be liable to the  
27 insured or his or her beneficiary for the full amount stated  
28 in the policy in addition to any other penalties that may be  
29 imposed.

30           b. Any insurance contract delivered or issued for  
31 delivery in this state governing a subject or subjects of

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

15 42. Satisfaction of judgments.--

16 a. Every judgment or decree for the recovery of money  
17 heretofore or hereafter entered in any court of competent  
18 jurisdiction against any underwriting member shall be fully  
19 satisfied within 60 days from and after the entry thereof or,  
20 in the case of an appeal from such judgment or decree, within  
21 60 days from and after the affirmance of the judgment or  
22 decree by the appellate court.

23 b. If the judgment or decree is not satisfied as  
24 required under sub-subparagraph a., and proof of such failure  
25 to satisfy is made by filing with the department a certified  
26 transcript of the docket of the judgment or the decree  
27 together with a certificate by the clerk of the court wherein  
28 the judgment or decree remains unsatisfied, in whole or in  
29 part, after the time provided in sub-subparagraph a., the  
30 department shall forthwith prohibit the underwriting member  
31 from transacting business. The department shall not permit

1 such underwriting member to write any new business until the  
2 judgment or decree is wholly paid and satisfied and proof  
3 thereof is filed with the department under the official  
4 certificate of the clerk of the court wherein the judgment was  
5 recovered, showing that the judgment or decree is satisfied of  
6 record, and until the expenses and fees incurred in the case  
7 are also paid by the underwriting syndicate.

8 43. Tender and exchange offers.--No person shall  
9 conclude a tender offer or an exchange offer or otherwise  
10 acquire 5 percent or more of the outstanding voting securities  
11 of an underwriting member or controlling company or purchase 5  
12 percent or more of the ownership of an underwriting member or  
13 controlling company unless such person has filed with, and  
14 obtained the approval of, the department and sent to such  
15 underwriting member a statement setting forth:

16 a. The identity of, and background information on,  
17 each person by whom, or on whose behalf, the acquisition is to  
18 be made; and, if the acquisition is to be made by or on behalf  
19 of a corporation, association, or trust, the identity of and  
20 background information on each director, officer, trustee, or  
21 other natural person performing duties similar to those of a  
22 director, officer, or trustee for the corporation,  
23 association, or trust.

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

26 c. Any plans or proposals which such person may have  
27 to liquidate such member, to sell its assets, or to merge or  
28 consolidate it.

29 d. The percentage of ownership which such person  
30 proposes to acquire and the terms of the offer or exchange, as  
31 the case may be.

1 e. Information as to any contracts, arrangements, or  
2 understandings with any party with respect to any securities  
3 of such member or controlling company, including, but not  
4 limited to, information relating to the transfer of any  
5 securities, option arrangements, or puts or calls or the  
6 giving or withholding of proxies, naming the party with whom  
7 such contract, arrangements, or understandings have been  
8 entered and giving the details thereof.

9 f. The department may disapprove any acquisition  
10 subject to the provisions of this subparagraph by any person  
11 or any affiliated person of such person who:

12 (I) Willfully violates this subparagraph;

13 (II) In violation of an order of the department issued  
14 pursuant to sub-subparagraph j., fails to divest himself or  
15 herself of any stock obtained in violation of this  
16 subparagraph, or fails to divest himself or herself of any  
17 direct or indirect control of such stock, within 25 days after  
18 such order; or

19 (III) In violation of an order issued by the  
20 department pursuant to sub-subparagraph j., acquires  
21 additional stock of the underwriting member or controlling  
22 company, or direct or indirect control of such stock, without  
23 complying with this subparagraph.

24 g. The person or persons filing the statement required  
25 by this subparagraph have the burden of proof. The department  
26 shall approve any such acquisition if it finds, on the basis  
27 of the record made during any proceeding or on the basis of  
28 the filed statement if no proceeding is conducted, that:

29 (I) Upon completion of the acquisition, the  
30 underwriting member will be able to satisfy the requirements

31

1 for the approval to write the line or lines of insurance for  
2 which it is presently approved;

3 (II) The financial condition of the acquiring person  
4 or persons will not jeopardize the financial stability of the  
5 underwriting member or prejudice the interests of its  
6 policyholders or the public;

7 (III) Any plan or proposal which the acquiring person  
8 has, or acquiring persons have, made:

9 (A) To liquidate the insurer, sell its assets, or  
10 merge or consolidate it with any person, or to make any other  
11 major change in its business or corporate structure or  
12 management; or

13 (B) To liquidate any controlling company, sell its  
14 assets, or merge or consolidate it with any person, or to make  
15 any major change in its business or corporate structure or  
16 management which would have an effect upon the underwriting  
17 member

18  
19 is fair and free of prejudice to the policyholders of the  
20 underwriting member or to the public;

21 (IV) The competence, experience, and integrity of  
22 those persons who will control directly or indirectly the  
23 operation of the underwriting member indicate that the  
24 acquisition is in the best interest of the policyholders of  
25 the underwriting member and in the public interest;

26 (V) The natural persons for whom background  
27 information is required to be furnished pursuant to this  
28 subparagraph have such backgrounds as to indicate that it is  
29 in the best interests of the policyholders of the underwriting  
30 member, and in the public interest, to permit such persons to  
31 exercise control over such underwriting member;

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

4           (VII) The management of the underwriting member after  
5 the acquisition will be competent and trustworthy and will  
6 possess sufficient managerial experience so as to make the  
7 proposed operation of the underwriting member not hazardous to  
8 the insurance-buying public;

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

16           (IX) The acquisition is not likely to be hazardous or  
17 prejudicial to the underwriting member's policyholders or the  
18 public; and

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

22           h. No vote by the stockholder of record, or by any  
23 other person, of any security acquired in contravention of the  
24 provisions of this subparagraph is valid. Any acquisition of  
25 any security contrary to the provisions of this subparagraph  
26 is void. Upon the petition of the underwriting member or  
27 controlling company, the circuit court for the county in which  
28 the principal office of such underwriting member is located  
29 may, without limiting the generality of its authority, order  
30 the issuance or entry of an injunction or other order to  
31 enforce the provisions of this subparagraph. There shall be a

1 private right of action in favor of the underwriting member or  
2 controlling company to enforce the provisions of this  
3 subparagraph. No demand upon the department that it perform  
4 its functions shall be required as a prerequisite to any suit  
5 by the underwriting member or controlling company against any  
6 other person, and in no case shall the department be deemed a  
7 necessary party to any action by such underwriting member or  
8 controlling company to enforce the provisions of this  
9 subparagraph. Any person who makes or proposes an acquisition  
10 requiring the filing of a statement pursuant to this  
11 subparagraph, or who files such a statement, shall be deemed  
12 to have thereby designated the Insurance Commissioner, or his  
13 or her assistant or deputy or another person in charge of his  
14 or her office, as such person's agent for service of process  
15 under this subparagraph and shall thereby be deemed to have  
16 submitted himself or herself to the administrative  
17 jurisdiction of the department and to the jurisdiction of the  
18 circuit court.

19 i. Any approval by the department under this  
20 subparagraph does not constitute a recommendation by the  
21 department for an acquisition, tender offer, or exchange  
22 offer. It is unlawful for a person to represent that the  
23 department's approval constitutes a recommendation. A person  
24 who violates the provisions of this sub-subparagraph is guilty  
25 of a felony of the third degree, punishable as provided in s.  
26 775.082, s. 775.083, or s. 775.084. The statute-of-limitations  
27 period for the prosecution of an offense committed under this  
28 sub-subparagraph is 5 years.

29 j. Upon notification to the department by the  
30 underwriting member or a controlling company that any person  
31 or any affiliated person of such person has acquired 5 percent

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

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

24 (A) The control of which is acquired in violation of  
25 this subparagraph;

26 (B) That is controlled, directly or indirectly, by any  
27 person or any affiliated person of such person who, in  
28 violation of this subparagraph, has obtained control of an  
29 underwriting member or controlling company; or

30 (C) That is controlled, directly or indirectly, by any  
31 person who, directly or indirectly, controls any other person



1 who, in violation of this subparagraph, acquires control of an  
2 underwriting member or controlling company.

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

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

13 (A) The spouse of such other person;

14 (B) The parents of such other person and their lineal  
15 descendants and the parents of such other person's spouse and  
16 their lineal descendants;

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

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

23 (E) Any person or group of persons who directly or  
24 indirectly control, are controlled by, or are under common  
25 control with such other person; or any officer, director,  
26 partner, copartner, or employee of such other person;

27 (F) If such other person is an investment company, any  
28 investment adviser of such company or any member of an  
29 advisory board of such company;

30  
31

1 (G) If such other person is an unincorporated  
2 investment company not having a board of directors, the  
3 depositor of such company; or

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

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

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

15 44. Background information.--The information as to the  
16 background and identity of each person about whom information  
17 is required to be furnished pursuant to sub-subparagraph 43.a.  
18 shall include, but shall not be limited to:

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

21 b. The principal business and address of any business,  
22 corporation, or other organization in which each such office  
23 was held or in which such occupation or position of employment  
24 was carried on.

25 c. Whether, at any time during such 10-year period,  
26 such person was convicted of any crime other than a traffic  
27 violation.

28 d. Whether, during such 10-year period, such person  
29 has been the subject of any proceeding for the revocation of  
30 any license and, if so, the nature of such proceeding and the  
31 disposition thereof.

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

10 f. Whether, during such 10-year period, such person  
11 has been enjoined, either temporarily or permanently, by a  
12 court of competent jurisdiction from violating any federal or  
13 state law regulating the business of insurance, securities, or  
14 banking, or from carrying out any particular practice or  
15 practices in the course of the business of insurance,  
16 securities, or banking, together with details of any such  
17 event.

18 45. Security fund.--All underwriting members shall be  
19 members of the security fund of any exchange.

20 46. Underwriting member defined.--Whenever the term  
21 "underwriting member" is used in this subsection, it shall be  
22 construed to mean "underwriting syndicate."

23 47. Offsets.--Any action, requirement, or constraint  
24 imposed by the department shall reduce or offset similar  
25 actions, requirements, or constraints of any exchange.

26 48. Restriction on member ownership.--

27 a. Investments existing prior to July 2, 1987.--The  
28 investment in any member by brokers, agents, and  
29 intermediaries transacting business on the exchange, and the  
30 investment in any such broker, agent, or intermediary by any  
31 member, directly or indirectly, shall in each case be limited

1 in the aggregate to less than 20 percent of the total  
2 investment in such member, broker, agent, or intermediary, as  
3 the case may be. After December 31, 1987, the aggregate  
4 percent of the total investment in such member by any broker,  
5 agent, or intermediary and the aggregate percent of the total  
6 investment in any such broker, agent, or intermediary by any  
7 member, directly or indirectly, shall not exceed 15 percent.  
8 After June 30, 1988, such aggregate percent shall not exceed  
9 10 percent and after December 31, 1988, such aggregate percent  
10 shall not exceed 5 percent.

11 b. Investments arising on or after July 2, 1987.--The  
12 investment in any underwriting member by brokers, agents, or  
13 intermediaries transacting business on the exchange, and the  
14 investment in any such broker, agent, or intermediary by any  
15 underwriting member, directly or indirectly, shall in each  
16 case be limited in the aggregate to less than 5 percent of the  
17 total investment in such underwriting member, broker, agent,  
18 or intermediary.

19 49. "Underwriting manager" defined.--"Underwriting  
20 manager" as used in this subparagraph includes any person,  
21 partnership, corporation, or organization providing any of the  
22 following services to underwriting members of the exchange:

23 a. Office management and allied services, including  
24 correspondence and secretarial services.

25 b. Accounting services, including bookkeeping and  
26 financial report preparation.

27 c. Investment and banking consultations and services.

28 d. Underwriting functions and services including the  
29 acceptance, rejection, placement, and marketing of risk.

30 50. Prohibition of underwriting manager  
31 investment.--Any direct or indirect investment in any

1 underwriting manager by a broker member or any affiliated  
2 person of a broker member or any direct or indirect investment  
3 in a broker member by an underwriting manager or any  
4 affiliated person of an underwriting manager is prohibited.  
5 "Affiliated person" for purposes of this subparagraph is  
6 defined in subparagraph 43.

7 51. An underwriting member may not accept reinsurance  
8 on an assumed basis from an affiliate or a controlling  
9 company, nor may a broker member or management company place  
10 reinsurance from an affiliate or controlling company of theirs  
11 with an underwriting member. "Affiliate and controlling  
12 company" for purposes of this subparagraph is defined in  
13 subparagraph 43.

14 52. Premium defined.--"Premium" is the consideration  
15 for insurance, by whatever name called. Any "assessment" or  
16 any "membership," "policy," "survey," "inspection," "service"  
17 fee or charge or similar fee or charge in consideration for an  
18 insurance contract is deemed part of the premium.

19 53. Rules.--The department shall promulgate rules  
20 necessary for or as an aid to the effectuation of any  
21 provision of this section.

22 Section 25. Subsection (1) of section 631.911, Florida  
23 Statutes, is repealed.

24 Section 26. Subsection (3) of section 631.912, Florida  
25 Statutes, is repealed.

26 Section 27. Section 631.929, Florida Statutes, is  
27 repealed.

28 Section 28. Section 636.016, Florida Statutes, is  
29 amended to read:

30 636.016 Prepaid limited health service contracts. ~~For~~  
31 ~~any entity licensed prior to October 1, 1993, all subscriber~~

1 ~~contracts in force at such time shall be in compliance with~~  
2 ~~this section upon renewal of such contract.~~

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

8 (a) The department shall disapprove any form filed  
9 under this subsection, or withdraw any previous approval  
10 thereof, if the form:

11 1. Is in any respect in violation of, or does not  
12 comply with, any provision of this act or rule adopted  
13 thereunder.

14 2. Contains or incorporates by reference, where such  
15 incorporation is otherwise permissible, any inconsistent,  
16 ambiguous, or misleading clauses or exceptions and conditions  
17 which deceptively affect the risk purported to be assumed in  
18 the general coverage of the contract.

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

21 4. Is printed or otherwise reproduced in such a manner  
22 as to render any material provision of the form substantially  
23 illegible.

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

27 6. Charges rates that are determined by the department  
28 to be inadequate, excessive, or unfairly discriminatory, or if  
29 the rating methodology followed by the prepaid limited health  
30 service organization is determined by the department to be  
31 inconsistent with the provisions of s. 636.017.

1 (b) It is not the intent of this subsection to  
2 restrict unduly the right to modify rates in the exercise of  
3 reasonable business judgment.

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

7 (2) Every prepaid limited health service organization  
8 shall provide each subscriber a contract, a certificate,  
9 membership card, or member handbook which must clearly state  
10 all of the services to which a subscriber is entitled under  
11 the contract and must include a clear and understandable  
12 statement of any limitations on the services or kinds of  
13 services to be provided, including any copayment feature or  
14 schedule of benefits required by the contract or by any  
15 insurer or entity which is underwriting any of the services  
16 offered by the prepaid limited health service organization.  
17 The contract, certificate, provider listing, or member  
18 handbook must also state where and in what manner the health  
19 services may be obtained.

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

26 (4) The rate of payment for a prepaid limited health  
27 services contract sold on an individual basis must be a part  
28 of the contract and must be stated in individual contracts  
29 issued to subscribers.

30 (5) All prepaid limited health service coverage,  
31 benefits, or services for a member of the family of the

1 subscriber must, as to such family member's coverage,  
2 benefits, or services, provide also that the coverage,  
3 benefits, or services applicable for children will be provided  
4 with respect to a preenrolled newborn child of the subscriber,  
5 or covered family member of the subscriber, from the moment of  
6 birth, or adoption pursuant to chapter 63.

7 (6) No alteration of any written application for any  
8 prepaid limited health services contract may be made by any  
9 person other than the applicant without his or her written  
10 consent, except that insertions may be made by the prepaid  
11 limited health service organization for administrative  
12 purposes only, in such manner as to indicate clearly that such  
13 insertions are not to be ascribed to the applicant.

14 (7) No contract may contain any waiver of rights or  
15 benefits provided to or available to subscribers under the  
16 provisions of any law or rule applicable to prepaid limited  
17 health service organizations.

18 (8) Each document provided pursuant to subsection (2)  
19 must state that emergency services, if any, will be provided  
20 to subscribers in emergency situations not permitting  
21 treatment through the prepaid limited health service  
22 organization providers, without prior notification to and  
23 approval of the organization. The prepaid limited health  
24 services document must contain a definition of emergency  
25 services, describe procedures for determination by the prepaid  
26 limited health service organization of whether the services  
27 qualify for reimbursement as emergency services, and contain  
28 specific examples of what does constitute an emergency.

29 (9)(a) All prepaid limited health services contracts,  
30 certificates, and member handbooks must contain the following  
31 provision:



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

7           (b) Paragraph (a) does not apply to certificates or  
8 member handbooks delivered to individual subscribers under a  
9 group prepaid limited health services contract when the  
10 employer who will hold the contract on behalf of the  
11 subscriber group pays the entire premium for the individual  
12 subscriber. However, such required provision applies to the  
13 group prepaid limited health services contract.

14           (10) The contract must clearly disclose the intent of  
15 the prepaid limited health service organization as to the  
16 applicability or nonapplicability of coverage to preexisting  
17 conditions. The contract must also disclose what services are  
18 excludable.

19           (11) All prepaid limited health service organization  
20 contracts which provide coverage for a member of the family of  
21 the subscriber, must, as to such family member's coverage,  
22 provide that coverage, benefits, or services applicable for  
23 children will be provided with respect to an adopted child of  
24 the subscriber, which child is placed in compliance with  
25 chapter 63, from the moment of placement in the residence of  
26 the subscriber. In the case of a newborn child, coverage  
27 begins from the moment of birth if a written agreement to  
28 adopt such child has been entered into by the subscriber prior  
29 to the birth of the child whether or not such agreement is  
30 enforceable. However, coverage for such child is not required  
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1 if the child is not ultimately adopted by the subscriber in  
2 compliance with chapter 63.

3 (12) Each prepaid limited health service organization  
4 shall provide prospective enrollees, upon request, with  
5 written information about the terms and conditions of the plan  
6 in accordance with subsection (2) to enable prospective  
7 enrollees to make informed decisions about accepting a  
8 managed-care system of limited health care delivery. All  
9 marketing materials printed by the prepaid limited health  
10 services organization, after October 1, 1997, must contain a  
11 notice in boldfaced type which states that the information  
12 required under this section is available to prospective  
13 enrollees upon request.

14 (13) Each prepaid limited health service organization  
15 shall make available to all subscribers, upon request, a  
16 description of the authorization and referral process for  
17 services or a description of the process used to analyze the  
18 qualifications and credentials of providers under contract  
19 with the organization.

20 Section 29. Subsection (1) and paragraph (a) of  
21 subsection (4) of section 636.043, Florida Statutes, are  
22 amended to read:

23 636.043 Annual, quarterly, and miscellaneous  
24 reports.--

25 (1) Each prepaid limited health service organization  
26 must file with the department annually, within 3 months after  
27 the end of its fiscal year, a report verified by the oath of  
28 at least two officers covering the preceding calendar year.  
29 ~~Any organization licensed prior to October 1, 1993, shall not~~  
30 ~~be required to file a financial statement, as required by~~  
31 ~~paragraph (2)(a), based on statutory accounting principles~~

1 ~~until the first annual report for fiscal years ending after~~  
2 ~~December 31, 1994.~~

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

7 (a) A financial statement prepared in accordance with  
8 statutory accounting principles. ~~Any entity licensed before~~  
9 ~~October 1, 1993, shall not be required to file a financial~~  
10 ~~statement based on statutory accounting principles until the~~  
11 ~~first quarterly filing after the entity files its annual~~  
12 ~~financial statement based on statutory accounting principles~~  
13 ~~as required by subsection (1).~~

14 Section 30. Section 713.5955, Florida Statutes, is  
15 repealed.

16 Section 31. Subsection (3) of section 721.24, Florida  
17 Statutes, is amended to read:

18 721.24 Firesafety.--

19 (3) The Division of State Fire Marshal of the  
20 Department of Insurance may prescribe uniform standards for  
21 firesafety equipment for timeshare units of timeshare plans  
22 for which the construction contracts were let before October  
23 1, 1983. An entire building shall be equipped as outlined,  
24 ~~except that the approved sprinkler system may be delayed by~~  
25 ~~the Division of State Fire Marshal until October 1, 1991, on a~~  
26 ~~schedule for complete compliance in accordance with rules~~  
27 ~~adopted by the Division of State Fire Marshal, which schedule~~  
28 ~~shall include a provision for a 1-year extension which may be~~  
29 ~~granted not more than three times for any individual~~  
30 ~~requesting an extension. The entire system must be installed~~  
31 ~~and operational by October 1, 1994. The Division of State Fire~~

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

12           Section 32. Paragraph (d) of subsection (2) of section  
13 744.7021, Florida Statutes, is amended to read:

14           744.7021 Statewide Public Guardianship Office.--There  
15 is hereby created the Statewide Public Guardianship Office  
16 within the Department of Elderly Affairs. The Department of  
17 Elderly Affairs shall provide administrative support and  
18 service to the office to the extent requested by the executive  
19 director within the available resources of the department. The  
20 Statewide Public Guardianship Office may request the  
21 assistance of the Inspector General of the Department of  
22 Elderly Affairs in providing auditing services, and the Office  
23 of General Counsel of the department may provide assistance in  
24 rulemaking and other matters as needed to assist the Statewide  
25 Public Guardianship Office. The Statewide Public Guardianship  
26 Office shall not be subject to control, supervision, or  
27 direction by the Department of Elderly Affairs in the  
28 performance of its duties.

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

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

17           Section 33. Section 753.004, Florida Statutes, is  
18 repealed.

19           Section 34. This act shall take effect July 1, 2001.  
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