

By the Committee on Insurance and Representative Brown

1 A bill to be entitled
2 An act relating to credit insurance; amending
3 s. 626.321, F.S.; authorizing the issuance of
4 credit life insurance licenses to lending or
5 financial institutions or creditors and
6 authorizing such licensees to sell credit
7 insurance; deleting certain license
8 requirements for institutions with multiple
9 offices; amending s. 627.679, F.S.; requiring
10 certain disclosures to credit life insurance
11 purchasers regarding the cancellation of such
12 coverage; providing an effective date.

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

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16 Section 1. Paragraph (e) of subsection (1) of section
17 626.321, Florida Statutes, is amended to read:

18 626.321 Limited licenses.--

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

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

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

14 1. Is required to submit only one application for a
15 license under s. 626.171. The requirements of s. 626.171(5)
16 shall only apply to the officers and directors of the entity
17 submitting the application.

18 2. Is required to obtain a license for each office,
19 branch office, or place of business making use of the entity's
20 business name by applying to the department for the license on
21 a simplified form developed by rule of the department for this
22 purpose.

23 3. Is not required to pay any additional application
24 fees for a license issued to the offices or places of business
25 referenced in subsection (2), but is required to pay the
26 license fee as prescribed in s. 624.501, be appointed under s.
27 626.112, and pay the prescribed appointment fee under s.
28 624.501. The license obtained under this paragraph shall be
29 posted at the business location for which it was issued so as
30 to be readily visible to prospective purchasers of such
31 coverage.

1 Section 2. Paragraph (c) of subsection (1) of section
2 627.679, Florida Statutes, is amended to read:

3 627.679 Amount of insurance; disclosure.--

4 (1)

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

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

13 2. That the borrower understands that the credit life
14 coverage may be deferred if, at the time of application, the
15 borrower is unable to engage in employment or unable to
16 perform normal activities of a person of like age and sex, if
17 the proposed credit life insurance policy contains this
18 restriction.

19 3. That the borrower understands that the benefits
20 under the policy will terminate when the borrower reaches a
21 certain age and that the borrower's age is accurately
22 represented on the application or policy.

23
24 In lieu of the required written acknowledgments set forth in
25 this paragraph and s. 626.9551(2)(a), if the sale of credit
26 life insurance is solicited or consummated telephonically, the
27 creditor agent or agent shall provide written disclosures of
28 such options to the borrower within 30 days after the date the
29 coverage takes effect. The borrower shall be notified that he
30 or she has 30 days after the date the disclosures are received
31 to rescind the credit life insurance coverage.

1 Section 3. This act shall take effect July 1, 2001.
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