

By Representative Alexander

1                                   A bill to be entitled  
2           An act relating to communications equipment  
3           property insurance; amending s. 626.321, F.S.;  
4           authorizing licensing of communications  
5           equipment property insurance agents; providing  
6           criteria; providing a definition; amending ss.  
7           626.221 and 626.732, F.S., to conform;  
8           providing an effective date.

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

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12           Section 1. Paragraph (b) of subsection (2) of section  
13   626.221, Florida Statutes, is amended to read:

14           626.221 Examination requirement; exemptions.--

15           (2) However, no such examination shall be necessary in  
16   any of the following cases:

17           (b) An applicant for limited license as agent for  
18   personal accident insurance, baggage and motor vehicle excess  
19   liability insurance, credit life or disability insurance,  
20   credit insurance, credit property insurance, ~~or~~ in-transit and  
21   storage personal property insurance, or communications  
22   equipment property insurance.

23           Section 2. Subsections (1) and (3) of section 626.321,  
24   Florida Statutes, are amended to read:

25           626.321 Limited licenses.--

26           (1) The department shall issue to a qualified  
27   individual, or a qualified individual or entity under  
28   paragraphs (c), (d), ~~and~~ (e), and (j), a license as agent  
29   authorized to transact a limited class of business in any of  
30   the following categories:

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1           (a) Motor vehicle physical damage and mechanical  
2 breakdown insurance.--License covering insurance against only  
3 the loss of or damage to any motor vehicle which is designed  
4 for use upon a highway, including trailers and semitrailers  
5 designed for use with such vehicles. Such license also covers  
6 insurance against the failure of an original or replacement  
7 part to perform any function for which it was designed. The  
8 applicant for such a license shall pass a written examination  
9 covering motor vehicle physical damage insurance and  
10 mechanical breakdown insurance. No individual while so  
11 licensed shall hold a license as an agent or solicitor as to  
12 any other or additional kind or class of insurance coverage  
13 except as to a limited license for credit life and disability  
14 insurances as provided in paragraph (e).

15           (b) Industrial fire insurance or burglary  
16 insurance.--License covering only industrial fire insurance or  
17 burglary insurance. The applicant for such a license shall  
18 pass a written examination covering such insurance. No  
19 individual while so licensed shall hold a license as an agent  
20 or solicitor as to any other or additional kind or class of  
21 insurance coverage except as to life and health insurances.

22           (c) Personal accident insurance.--License covering  
23 only policies of personal accident insurance covering the  
24 risks of travel, except as provided in subparagraph 2. The  
25 license may be issued only:

26           1. To a full-time salaried employee of a common  
27 carrier or a full-time salaried employee or owner of a  
28 transportation ticket agency and may authorize the sale of  
29 such ticket policies only in connection with the sale of  
30 transportation tickets, or to the full-time salaried employee  
31 of such an agent. No such policy shall be for a duration of

1 more than 48 hours or for the duration of a specified one-way  
2 trip or round trip.

3           2. To a full-time salaried employee of a business  
4 which offers motor vehicles for rent or lease, or to a  
5 business office of a business which offers motor vehicles for  
6 rent or lease if insurance sales activities authorized by the  
7 license are limited to full-time salaried employees. A  
8 business office licensed or a person licensed pursuant to this  
9 subparagraph may, as an agent of an insurer, transact  
10 insurance that provides coverage for accidental personal  
11 injury or death of the lessee and any passenger who is riding  
12 or driving with the covered lessee in the rental motor vehicle  
13 if the lease or rental agreement is for not more than 30 days,  
14 or if the lessee is not provided coverage for more than 30  
15 consecutive days per lease period; however, if the lease is  
16 extended beyond 30 days, the coverage may be extended one time  
17 only for a period not to exceed an additional 30 days.

18           (d) Baggage and motor vehicle excess liability  
19 insurance.--

20           1. License covering only insurance of personal effects  
21 except as provided in subparagraph 2. The license may be  
22 issued only:

23           a. To a full-time salaried employee of a common  
24 carrier or a full-time salaried employee or owner of a  
25 transportation ticket agency, which person is engaged in the  
26 sale or handling of transportation of baggage and personal  
27 effects of travelers, and may authorize the sale of such  
28 insurance only in connection with such transportation; or

29           b. To the full-time salaried employee of a licensed  
30 general lines agent, a full-time salaried employee of a  
31 business which offers motor vehicles for rent or lease, or to

1 a business office of a business which offers motor vehicles  
2 for rent or lease if insurance sales activities authorized by  
3 the license are limited to full-time salaried employees.  
4  
5 The purchaser of baggage insurance shall be provided written  
6 information disclosing that the insured's homeowner's policy  
7 may provide coverage for loss of personal effects and that the  
8 purchase of such insurance is not required in connection with  
9 the purchase of tickets or in connection with the lease or  
10 rental of a motor vehicle.  
11         2. A business office licensed pursuant to subparagraph  
12 1., or a person licensed pursuant to subparagraph 1. who is a  
13 full-time salaried employee of a business which offers motor  
14 vehicles for rent or lease, may include lessees under a master  
15 contract providing coverage to the lessor or may transact  
16 excess motor vehicle liability insurance providing coverage in  
17 excess of the standard liability limits provided by the lessor  
18 in its lease to a person renting or leasing a motor vehicle  
19 from the licensee's employer for liability arising in  
20 connection with the negligent operation of the leased or  
21 rented motor vehicle, provided that the lease or rental  
22 agreement is for not more than 30 days; that the lessee is not  
23 provided coverage for more than 30 consecutive days per lease  
24 period, and, if the lease is extended beyond 30 days, the  
25 coverage may be extended one time only for a period not to  
26 exceed an additional 30 days; that the lessee is given written  
27 notice that his or her personal insurance policy providing  
28 coverage on an owned motor vehicle may provide additional  
29 excess coverage; and that the purchase of the insurance is not  
30 required in connection with the lease or rental of a motor  
31 vehicle. The excess liability insurance may be provided to

1 the lessee as an additional insured on a policy issued to the  
2 licensee's employer.

3 3. A business office licensed pursuant to subparagraph  
4 1., or a person licensed pursuant to subparagraph 1. who is a  
5 full-time salaried employee of a business which offers motor  
6 vehicles for rent or lease, may, as an agent of an insurer,  
7 transact insurance that provides coverage for the liability of  
8 the lessee to the lessor for damage to the leased or rented  
9 motor vehicle if:

10 a. The lease or rental agreement is for not more than  
11 30 days; or the lessee is not provided coverage for more than  
12 30 consecutive days per lease period, but, if the lease is  
13 extended beyond 30 days, the coverage may be extended one time  
14 only for a period not to exceed an additional 30 days;

15 b. The lessee is given written notice that his or her  
16 personal insurance policy that provides coverage on an owned  
17 motor vehicle may provide such coverage with or without a  
18 deductible; and

19 c. The purchase of the insurance is not required in  
20 connection with the lease or rental of a motor vehicle.

21 (e) Credit life or disability insurance.--License  
22 covering only credit life or disability insurance. The license  
23 may be issued only to an individual employed by a life or  
24 health insurer as an officer or other salaried or commissioned  
25 representative, to an individual employed by or associated  
26 with a lending or financial institution or creditor, or to a  
27 lending or financial institution or creditor, and may  
28 authorize the sale of such insurance only with respect to  
29 borrowers or debtors of such lending or financing institution  
30 or creditor. However, only the individual or entity whose tax  
31 identification number is used in receiving or is credited with

1 receiving the commission from the sale of such insurance shall  
2 be the licensed agent of the insurer. No individual while so  
3 licensed shall hold a license as an agent or solicitor as to  
4 any other or additional kind or class of life or health  
5 insurance coverage. An entity holding a limited license under  
6 this paragraph is also authorized to sell credit insurance and  
7 credit property insurance. An entity applying for a license  
8 under this section:

9           1. Is required to submit only one application for a  
10 license under s. 626.171. The requirements of s. 626.171(5)  
11 shall only apply to the officers and directors of the entity  
12 submitting the application.

13           2. Is required to obtain a license for each office,  
14 branch office, or place of business making use of the entity's  
15 business name by applying to the department for the license on  
16 a simplified form developed by rule of the department for this  
17 purpose.

18           3. Is not required to pay any additional application  
19 fees for a license issued to the offices or places of business  
20 referenced in subsection (2), but is required to pay the  
21 license fee as prescribed in s. 624.501, be appointed under s.  
22 626.112, and pay the prescribed appointment fee under s.  
23 624.501. The license obtained under this paragraph shall be  
24 posted at the business location for which it was issued so as  
25 to be readily visible to prospective purchasers of such  
26 coverage.

27           (f) Credit insurance.--License covering only credit  
28 insurance, as such insurance is defined in s. 624.605(1)(i),  
29 and no individual or entity so licensed shall, during the same  
30 period, hold a license as an agent or solicitor as to any  
31 other or additional kind of life or health insurance with the

1 exception of credit life or disability insurance as defined in  
2 paragraph (e). The same licensing provisions as outlined in  
3 paragraph (e) apply to entities licensed as credit insurance  
4 agents under this paragraph.

5 (g) Credit property insurance.--A license covering  
6 only credit property insurance may be issued to any individual  
7 except an individual employed by or associated with a lending  
8 or financial institution defined in s. 655.005(1)(g), (h), or  
9 (p) and authorized to sell such insurance only with respect to  
10 a borrower or debtor, not to exceed the amount of the loan.

11 (h) Crop hail and multiple-peril crop  
12 insurance.--License covering only crop hail and multiple-peril  
13 crop insurance. Notwithstanding any other provision of law,  
14 the limited license may be issued to a bona fide salaried  
15 employee of an association chartered under the Farm Credit Act  
16 of 1971, 12 U.S.C. ss. 2001 et seq., who satisfactorily  
17 completes the examination prescribed by the department  
18 pursuant to s. 626.241(5). The limited agent must be appointed  
19 by, and his or her limited license requested by, a licensed  
20 general lines agent. All business transacted by the limited  
21 agent shall be in behalf of, in the name of, and countersigned  
22 by the agent by whom he or she is appointed. Sections 626.561  
23 and 626.748, relating to records, apply to all business  
24 written pursuant to this section. The limited licensee may be  
25 appointed by and licensed for only one general lines agent or  
26 agency.

27 (i) In-transit and storage personal property  
28 insurance.--A license covering only the insurance of personal  
29 property not held for resale, covering the risks of  
30 transportation or storage in rented or leased motor vehicles,  
31 trailers, or self-service storage facilities, as the latter

1 are defined in s. 83.803, may be issued, without examination,  
2 only to employees or authorized representatives of lessors who  
3 rent or lease motor vehicles, trailers, or self-service  
4 storage facilities and who are authorized by an insurer to  
5 issue certificates or other evidences of insurance to lessees  
6 of such motor vehicles, trailers, or self-service storage  
7 facilities under an insurance policy issued to the lessor. A  
8 person licensed under this paragraph shall give a prospective  
9 purchaser of in-transit or storage personal property insurance  
10 written notice that his or her homeowner's policy may provide  
11 coverage for the loss of personal property and that the  
12 purchase of such insurance is not required under the lease  
13 terms.

14 (j) Communications equipment property  
15 insurance.--License covering only communications equipment,  
16 for insurance covering the loss, theft, mechanical failure, or  
17 malfunction of or damage to communications equipment. The  
18 license may be issued only to employees or authorized  
19 representatives of a licensed general lines agent, to each  
20 business location of a retail vendor of communications  
21 equipment, or to employees or authorized representatives of a  
22 retail vendor of communications equipment and may authorize  
23 the sale of such policies only in connection with the sale of,  
24 or provision of monthly communications service for,  
25 communications equipment. Licensees offering policies under  
26 this section must receive initial training from, and must be  
27 under the continued supervision of, a general lines agent  
28 licensed pursuant to this part. For purposes of this  
29 paragraph, the term "communications equipment" means handsets,  
30 paggers, personal digital assistants, portable computers,  
31 automatic answering devices, batteries, and other devices or



1 their accessories used to originate or receive communications  
2 signals or service, and includes services related to the use  
3 of such devices such as access to a wireless network. For  
4 purposes of this chapter, communications equipment property  
5 insurance is a type of inland marine insurance.

6 (3) Except as otherwise expressly provided, an  
7 individual applying for or holding a limited license shall be  
8 subject to the same applicable requirements and  
9 responsibilities as apply to general lines agents in general,  
10 if licensed as to motor vehicle physical damage and mechanical  
11 breakdown insurance, credit property insurance, industrial  
12 fire insurance or burglary insurance, in-transit and storage  
13 personal property insurance, baggage and motor vehicle excess  
14 liability insurance, ~~or~~ credit insurance, or communications  
15 equipment property insurance; or as apply to life agents or  
16 health agents in general, as the case may be, if licensed as  
17 to personal accident insurance or credit life or credit  
18 disability insurance.

19 Section 3. Subsection (1) of section 626.732, Florida  
20 Statutes, is amended to read:

21 626.732 Requirement as to knowledge, experience, or  
22 instruction.--

23 (1) Except as provided in subsection (3), no applicant  
24 for a license as a general lines agent, except for a chartered  
25 property and casualty underwriter (CPCU), other than as to a  
26 limited license as to baggage and motor vehicle excess  
27 liability insurance, credit property insurance, credit  
28 insurance, ~~or~~ in-transit and storage personal property  
29 insurance, or communications equipment property insurance,  
30 shall be qualified or licensed unless within the 4 years  
31

1 immediately preceding the date the application for license is  
2 filed with the department the applicant has:

3 (a) Taught or successfully completed classroom courses  
4 in insurance satisfactory to the department at a school,  
5 college, or extension division thereof, approved by the  
6 department;

7 (b) Completed a correspondence course in insurance  
8 satisfactory to the department and regularly offered by  
9 accredited institutions of higher learning in this state and,  
10 except if he or she is applying for a limited license under s.  
11 626.321, has had at least 6 months of responsible insurance  
12 duties as a substantially full-time bona fide employee in all  
13 lines of property and casualty insurance set forth in s.  
14 626.041(1); or

15 (c) Completed at least 1 year in responsible insurance  
16 duties as a substantially full-time bona fide employee in all  
17 lines of property and casualty insurance, exclusive of  
18 aviation and wet marine and transportation insurances but not  
19 exclusive of boats of less than 36 feet in length or aircraft  
20 not held out for hire, as set forth in s. 626.041(1), without  
21 the education requirement mentioned in paragraph (a) or  
22 paragraph (b).

23 Section 4. This act shall take effect upon becoming a  
24 law.

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27 HOUSE SUMMARY

28 Authorizes licensing of communications equipment property  
29 insurance agents. See bill for details.

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