

By the Council for Competitive Commerce and Committee on Insurance and 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 s.
7 626.221, F.S.; providing an additional
8 exemption from certain examination
9 requirements; amending s. 626.732, F.S.;
10 providing an additional exemption from certain
11 requirements as to knowledge, experience, or
12 instruction; providing an effective date.

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

15
16 Section 1. Paragraph (b) of subsection (2) of section
17 626.221, Florida Statutes, is amended to read:

18 626.221 Examination requirement; exemptions.--

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

21 (b) An applicant for limited license as agent for
22 personal accident insurance, baggage and motor vehicle excess
23 liability insurance, credit life or disability insurance,
24 credit insurance, credit property insurance, or in-transit and
25 storage personal property insurance and communications
26 equipment property insurance or communications equipment
27 inland marine insurance.

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

30 626.321 Limited licenses.--

31

1 (1) The department shall issue to a qualified
2 individual, or a qualified individual or entity under
3 paragraphs (c), (d), ~~and (e)~~, and (i), a license as agent
4 authorized to transact a limited class of business in any of
5 the following categories:

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

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

27 (c) Personal accident insurance.--License covering
28 only policies of personal accident insurance covering the
29 risks of travel, except as provided in subparagraph 2. The
30 license may be issued only:
31

1 1. To a full-time salaried employee of a common
2 carrier or a full-time salaried employee or owner of a
3 transportation ticket agency and may authorize the sale of
4 such ticket policies only in connection with the sale of
5 transportation tickets, or to the full-time salaried employee
6 of such an agent. No such policy shall be for a duration of
7 more than 48 hours or for the duration of a specified one-way
8 trip or round trip.

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

24 (d) Baggage and motor vehicle excess liability
25 insurance.--

26 1. License covering only insurance of personal effects
27 except as provided in subparagraph 2. The license may be
28 issued only:

29 a. To a full-time salaried employee of a common
30 carrier or a full-time salaried employee or owner of a
31 transportation ticket agency, which person is engaged in the

1 sale or handling of transportation of baggage and personal
2 effects of travelers, and may authorize the sale of such
3 insurance only in connection with such transportation; or

4 b. To the full-time salaried employee of a licensed
5 general lines agent, a full-time salaried employee of a
6 business which offers motor vehicles for rent or lease, or to
7 a business office of a business which offers motor vehicles
8 for rent or lease if insurance sales activities authorized by
9 the license are limited to full-time salaried employees.

10

11 The purchaser of baggage insurance shall be provided written
12 information disclosing that the insured's homeowner's policy
13 may provide coverage for loss of personal effects and that the
14 purchase of such insurance is not required in connection with
15 the purchase of tickets or in connection with the lease or
16 rental of a motor vehicle.

17 2. A business office licensed pursuant to subparagraph
18 1., or a person licensed pursuant to subparagraph 1. who is a
19 full-time salaried employee of a business which offers motor
20 vehicles for rent or lease, may include lessees under a master
21 contract providing coverage to the lessor or may transact
22 excess motor vehicle liability insurance providing coverage in
23 excess of the standard liability limits provided by the lessor
24 in its lease to a person renting or leasing a motor vehicle
25 from the licensee's employer for liability arising in
26 connection with the negligent operation of the leased or
27 rented motor vehicle, provided that the lease or rental
28 agreement is for not more than 30 days; that the lessee is not
29 provided coverage for more than 30 consecutive days per lease
30 period, and, if the lease is extended beyond 30 days, the
31 coverage may be extended one time only for a period not to

1 exceed an additional 30 days; that the lessee is given written
2 notice that his or her personal insurance policy providing
3 coverage on an owned motor vehicle may provide additional
4 excess coverage; and that the purchase of the insurance is not
5 required in connection with the lease or rental of a motor
6 vehicle. The excess liability insurance may be provided to
7 the lessee as an additional insured on a policy issued to the
8 licensee's employer.

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

16 a. The lease or rental agreement is for not more than
17 30 days; or the lessee is not provided coverage for more than
18 30 consecutive days per lease period, but, if the lease is
19 extended beyond 30 days, the coverage may be extended one time
20 only for a period not to exceed an additional 30 days;

21 b. The lessee is given written notice that his or her
22 personal insurance policy that provides coverage on an owned
23 motor vehicle may provide such coverage with or without a
24 deductible; and

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

27 (e) Credit life or disability insurance.--License
28 covering only credit life or disability insurance. The license
29 may be issued only to an individual employed by a life or
30 health insurer as an officer or other salaried or commissioned
31 representative, to an individual employed by or associated

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

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

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

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

1 to be readily visible to prospective purchasers of such
2 coverage.

3 (f) Credit insurance.--License covering only credit
4 insurance, as such insurance is defined in s. 624.605(1)(i),
5 and no individual or entity so licensed shall, during the same
6 period, hold a license as an agent or solicitor as to any
7 other or additional kind of life or health insurance with the
8 exception of credit life or disability insurance as defined in
9 paragraph (e). The same licensing provisions as outlined in
10 paragraph (e) apply to entities licensed as credit insurance
11 agents under this paragraph.

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

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

1 appointed by and licensed for only one general lines agent or
2 agency.

3 (i) In-transit and storage personal property insurance
4 and communications equipment property insurance or
5 communications equipment inland marine insurance.--

6 1. A license covering only the insurance of personal
7 property not held for resale, covering the risks of
8 transportation or storage in rented or leased motor vehicles,
9 trailers, or self-service storage facilities, as the latter
10 are defined in s. 83.803, may be issued, without examination,
11 only to employees or authorized representatives of lessors who
12 rent or lease motor vehicles, trailers, or self-service
13 storage facilities and who are authorized by an insurer to
14 issue certificates or other evidences of insurance to lessees
15 of such motor vehicles, trailers, or self-service storage
16 facilities under an insurance policy issued to the lessor. A
17 person licensed under this paragraph shall give a prospective
18 purchaser of in-transit or storage personal property insurance
19 written notice that his or her homeowner's policy may provide
20 coverage for the loss of personal property and that the
21 purchase of such insurance is not required under the lease
22 terms.

23 2. A license covering only communications equipment,
24 for the loss, theft, mechanical failure, malfunction of or
25 damage to, communications equipment. The license may only be
26 issued to:

27 a. Employees or authorized representatives of a
28 licensed general lines agent;

29 b. Each business location of a retail vendor of
30 communications equipment; or
31

1 c. Employees, agents, or authorized representatives of
2 a retail vendor of communications equipment.

3
4 The license authorizes the sale of such policies only with
5 respect to the sale of, or provision of communications service
6 for, communications equipment. A general lines agent is not
7 required to obtain a license under this subparagraph to offer
8 or sell communications equipment property insurance or
9 communications equipment inland marine insurance. Licensees
10 offering policies under this subparagraph must receive initial
11 training from, and have a contractual relationship with, a
12 general lines agent. For the purposes of this subparagraph,
13 the term "communications equipment" means handsets, pagers,
14 personal digital assistants, portable computers, automatic
15 answering devices, and other devices or accessories used to
16 originate or receive communications signals or service, and
17 includes services related to the use of such devices, such as
18 consumer access to a wireless network; however, the term does
19 not include telecommunications switching equipment,
20 transmission wires, cell site transceiver equipment, or other
21 equipment and systems used by telecommunications companies to
22 provide telecommunications service to consumers.

23 (3) Except as otherwise expressly provided, an
24 individual applying for or holding a limited license shall be
25 subject to the same applicable requirements and
26 responsibilities as apply to general lines agents in general,
27 if licensed as to motor vehicle physical damage and mechanical
28 breakdown insurance, credit property insurance, industrial
29 fire insurance or burglary insurance, in-transit and storage
30 personal property insurance, baggage and motor vehicle excess
31 liability insurance, or credit insurance and communications

1 equipment property insurance or communications equipment
2 inland marine insurance; or as apply to life agents or health
3 agents in general, as the case may be, if licensed as to
4 personal accident insurance or credit life or credit
5 disability insurance.

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

8 626.732 Requirement as to knowledge, experience, or
9 instruction.--

10 (1) Except as provided in subsection (3), no applicant
11 for a license as a general lines agent, except for a chartered
12 property and casualty underwriter (CPCU), other than as to a
13 limited license as to baggage and motor vehicle excess
14 liability insurance, credit property insurance, credit
15 insurance, or in-transit and storage personal property
16 insurance and communications equipment property insurance or
17 communications equipment inland marine insurance, shall be
18 qualified or licensed unless within the 4 years immediately
19 preceding the date the application for license is filed with
20 the department the applicant has:

21 (a) Taught or successfully completed classroom courses
22 in insurance satisfactory to the department at a school,
23 college, or extension division thereof, approved by the
24 department;

25 (b) Completed a correspondence course in insurance
26 satisfactory to the department and regularly offered by
27 accredited institutions of higher learning in this state and,
28 except if he or she is applying for a limited license under s.
29 626.321, has had at least 6 months of responsible insurance
30 duties as a substantially full-time bona fide employee in all
31

1 lines of property and casualty insurance set forth in s.
2 626.041(1); or
3 (c) Completed at least 1 year in responsible insurance
4 duties as a substantially full-time bona fide employee in all
5 lines of property and casualty insurance, exclusive of
6 aviation and wet marine and transportation insurances but not
7 exclusive of boats of less than 36 feet in length or aircraft
8 not held out for hire, as set forth in s. 626.041(1), without
9 the education requirement mentioned in paragraph (a) or
10 paragraph (b).

11 Section 4. This act shall take effect upon becoming a
12 law.

13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31