

By Senator Latvala

19-1022-02

1 A bill to be entitled
2 An act relating to insurance; amending s.
3 626.221, F.S.; exempting applicants for limited
4 licenses for communication equipment property
5 or communication equipment inland marine
6 insurance from certain examination
7 requirements; amending s. 626.321, F.S.;
8 providing for the issuance of such limited
9 licenses; amending s. 626.732, F.S.; exempting
10 such limited licensees from certain education
11 requirements; providing an effective date.

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

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15 Section 1. Subsection (1) and paragraph (b) of
16 subsection (2) of section 626.221, Florida Statutes, are
17 amended to read:

18 626.221 Examination requirement; exemptions.--

19 (1) The department shall not issue any license as
20 agent, solicitor, customer representative, or adjuster to any
21 individual who has not qualified for, taken, and passed to the
22 satisfaction of the department a written examination of the
23 scope prescribed in s. 626.241.

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

26 (b) An applicant for limited license as agent for
27 personal accident insurance, baggage and motor vehicle excess
28 liability insurance, credit life or disability insurance,
29 credit insurance, credit property insurance, ~~or~~ in-transit and
30 storage personal property insurance, or communication

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1 equipment property or communication equipment inland marine
2 insurance.

3 Section 2. Section 626.321, Florida Statutes, is
4 amended to read:

5 626.321 Limited licenses.--

6 (1) The department shall issue to a qualified
7 individual, or a qualified individual or entity under
8 paragraphs (c), (d), ~~and~~ (e), and (j), a license as agent
9 authorized to transact a limited class of business in any of
10 the following categories:

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

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

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

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

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

28 (d) Baggage and motor vehicle excess liability
29 insurance.--

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

4 a. To a full-time salaried employee of a common
5 carrier or a full-time salaried employee or owner of a
6 transportation ticket agency, which person is engaged in the
7 sale or handling of transportation of baggage and personal
8 effects of travelers, and may authorize the sale of such
9 insurance only in connection with such transportation; or

10 b. To the full-time salaried employee of a licensed
11 general lines agent, a full-time salaried employee of a
12 business which offers motor vehicles for rent or lease, or to
13 a business office of a business which offers motor vehicles
14 for rent or lease if insurance sales activities authorized by
15 the license are limited to full-time salaried employees.

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17 The purchaser of baggage insurance shall be provided written
18 information disclosing that the insured's homeowner's policy
19 may provide coverage for loss of personal effects and that the
20 purchase of such insurance is not required in connection with
21 the purchase of tickets or in connection with the lease or
22 rental of a motor vehicle.

23 2. A business office licensed pursuant to subparagraph
24 1., or a person licensed pursuant to subparagraph 1. who is a
25 full-time salaried employee of a business which offers motor
26 vehicles for rent or lease, may include lessees under a master
27 contract providing coverage to the lessor or may transact
28 excess motor vehicle liability insurance providing coverage in
29 excess of the standard liability limits provided by the lessor
30 in its lease to a person renting or leasing a motor vehicle
31 from the licensee's employer for liability arising in

1 connection with the negligent operation of the leased or
2 rented motor vehicle, provided that the lease or rental
3 agreement is for not more than 30 days; that the lessee is not
4 provided coverage for more than 30 consecutive days per lease
5 period, and, if the lease is extended beyond 30 days, the
6 coverage may be extended one time only for a period not to
7 exceed an additional 30 days; that the lessee is given written
8 notice that his or her personal insurance policy providing
9 coverage on an owned motor vehicle may provide additional
10 excess coverage; and that the purchase of the insurance is not
11 required in connection with the lease or rental of a motor
12 vehicle. The excess liability insurance may be provided to
13 the lessee as an additional insured on a policy issued to the
14 licensee's employer.

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

22 a. The lease or rental agreement is for not more than
23 30 days; or the lessee is not provided coverage for more than
24 30 consecutive days per lease period, but, if the lease is
25 extended beyond 30 days, the coverage may be extended one time
26 only for a period not to exceed an additional 30 days;

27 b. The lessee is given written notice that his or her
28 personal insurance policy that provides coverage on an owned
29 motor vehicle may provide such coverage with or without a
30 deductible; and

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

3 (e) Credit life or disability insurance.--License
4 covering only credit life or disability insurance. The license
5 may be issued only to an individual employed by a life or
6 health insurer as an officer or other salaried or commissioned
7 representative, to an individual employed by or associated
8 with a lending or financial institution or creditor, or to a
9 lending or financial institution or creditor, and may
10 authorize the sale of such insurance only with respect to
11 borrowers or debtors of such lending or financing institution
12 or creditor. However, only the individual or entity whose tax
13 identification number is used in receiving or is credited with
14 receiving the commission from the sale of such insurance shall
15 be the licensed agent of the insurer. 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 life or health
18 insurance coverage. An entity holding a limited license under
19 this paragraph is also authorized to sell credit insurance and
20 credit property insurance. An entity applying for a license
21 under this section:

22 1. Is required to submit only one application for a
23 license under s. 626.171. The requirements of s. 626.171(5)
24 shall only apply to the officers and directors of the entity
25 submitting the application.

26 2. Is required to obtain a license for each office,
27 branch office, or place of business making use of the entity's
28 business name by applying to the department for the license on
29 a simplified form developed by rule of the department for this
30 purpose.

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1 3. Is not required to pay any additional application
2 fees for a license issued to the offices or places of business
3 referenced in subsection (2), but is required to pay the
4 license fee as prescribed in s. 624.501, be appointed under s.
5 626.112, and pay the prescribed appointment fee under s.
6 624.501. The license obtained under this paragraph shall be
7 posted at the business location for which it was issued so as
8 to be readily visible to prospective purchasers of such
9 coverage.

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

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

25 (h) Crop hail and multiple-peril crop
26 insurance.--License covering only crop hail and multiple-peril
27 crop insurance. Notwithstanding any other provision of law,
28 the limited license may be issued to a bona fide salaried
29 employee of an association chartered under the Farm Credit Act
30 of 1971, 12 U.S.C. ss. 2001 et seq., who satisfactorily
31 completes the examination prescribed by the department

1 pursuant to s. 626.241(5). The limited agent must be appointed
2 by, and his or her limited license requested by, a licensed
3 general lines agent. All business transacted by the limited
4 agent shall be in behalf of, in the name of, and countersigned
5 by the agent by whom he or she is appointed. Sections 626.561
6 and 626.748, relating to records, apply to all business
7 written pursuant to this section. The limited licensee may be
8 appointed by and licensed for only one general lines agent or
9 agency.

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

28 (j) Communication equipment property or communication
29 equipment inland marine insurance.--License covering only
30 communication equipment, for insurance covering the loss,
31 theft, mechanical failure, malfunction, or damage to

1 communication equipment. The license may be issued only to
2 employees or authorized representatives of a licensed general
3 lines agent, to each business location of a retail vendor of
4 communication equipment, or to employees or authorized
5 representatives of a retail vendor of communication equipment,
6 and may authorize the sale of such policies only in connection
7 with the sale of, or provision of monthly communications
8 service for, communication equipment. Licensees offering
9 policies under this section must receive initial training from
10 and be under the continued oversight of a general lines agent
11 licensed pursuant to this part. As used in this paragraph, the
12 term "communication equipment" means handsets, pagers,
13 personal digital assistants, portable computers, automatic
14 answering devices, batteries, and other devices or accessories
15 used to originate or receive communications signals or
16 service, and includes services related to the use of such
17 devices, such as access to a wireless network.

18 (2) The limitations of any license issued under this
19 section shall be expressed therein. The licensee shall have a
20 separate and additional appointment as to each insurer
21 represented.

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

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

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

7 626.732 Requirement as to knowledge, experience, or
8 instruction.--

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

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

24 (b) Completed a correspondence course in insurance
25 satisfactory to the department and regularly offered by
26 accredited institutions of higher learning in this state and,
27 except if he or she is applying for a limited license under s.
28 626.321, has had at least 6 months of responsible insurance
29 duties as a substantially full-time bona fide employee in all
30 lines of property and casualty insurance set forth in s.
31 626.041(1); or

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

9 Section 4. This act shall take effect July 1, 2002.

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12 SENATE SUMMARY

13 Provides for the issuance of a limited license for
14 communication equipment property or communication
15 equipment inland marine insurance, and exempts such
16 licensees from certain education and examination
17 requirements.
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