

By the Committee on Banking and Insurance; and Senator Latvala

311-2076-02

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

17           626.221 Examination requirement; exemptions.--

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

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

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

29           626.321 Limited licenses.--

30           (1) The department shall issue to a qualified  
31          individual, or a qualified individual or entity under

1 paragraphs (c), (d), ~~and~~ (e), and (i), a license as agent  
2 authorized to transact a limited class of business in any of  
3 the following categories:

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

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

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

29 1. 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 and may authorize the sale of

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

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

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

26           a. 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, which person is engaged in the  
29 sale or handling of transportation of baggage and personal  
30 effects of travelers, and may authorize the sale of such  
31 insurance only in connection with such transportation; or

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

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

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

1 excess coverage; and that the purchase of the insurance is not  
2 required in connection with the lease or rental of a motor  
3 vehicle. The excess liability insurance may be provided to  
4 the lessee as an additional insured on a policy issued to the  
5 licensee's employer.

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

13           a. The lease or rental agreement is for not more than  
14 30 days; or the lessee is not provided coverage for more than  
15 30 consecutive days per lease period, but, 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           b. The lessee is given written notice that his or her  
19 personal insurance policy that provides coverage on an owned  
20 motor vehicle may provide such coverage with or without a  
21 deductible; and

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

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

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

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

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

30         (f) Credit insurance.--License covering only credit  
31 insurance, as such insurance is defined in s. 624.605(1)(i),

1 and no individual or entity so licensed shall, during the same  
2 period, hold a license as an agent or solicitor as to any  
3 other or additional kind of life or health insurance with the  
4 exception of credit life or disability insurance as defined in  
5 paragraph (e). The same licensing provisions as outlined in  
6 paragraph (e) apply to entities licensed as credit insurance  
7 agents under this paragraph.

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

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

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1 (i) In-transit and storage personal property  
2 insurance; communications equipment property insurance or  
3 communications equipment inland marine insurance.--

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

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

25 a. Employees or authorized representatives of a  
26 licensed general lines agent;

27 b. Each business location of a retail vendor of  
28 communications equipment; or

29 c. Employees, agents, or authorized representatives of  
30 a retail vendor of communications equipment.

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

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

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

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

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

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

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

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

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

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 July 1, 2002.

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13 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
14 COMMITTEE SUBSTITUTE FOR  
15 Senate Bill 1994

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16 Consolidates the proposed communications equipment property  
17 insurance product into the existing limited lines license  
18 which covers "in-transit and storage personal property  
19 insurance."

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19 Restricts the definition of "communications equipment" to  
20 exclude telecommunication switching equipment, transmission  
21 wires, cell site transceiver equipment, or other equipment and  
22 systems used by telecommunications companies to provide  
23 telecommunication service to consumers.

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22 Exempts general lines agents from being required to obtain a  
23 separate license to offer or sell communications equipment  
24 property insurance or communication equipment inland marine  
25 insurance.

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25 Clarifies that those licensees offering the communications  
26 insurance policies to have a contractual relationship with a  
27 general lines agent.

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