

Bill No. CS/HB 513

Amendment No. ____ Barcode 763356

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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11 Senator Atwater moved the following amendment:

12

13 **Senate Amendment (with title amendment)**

14 Between lines 71 and 72,

15

16 insert:

17 Section 4. Section 624.04, Florida Statutes, is

18 amended to read:

19 624.04 "Person" defined.--"Person" includes an
20 individual, insurer, company, association, organization,
21 Lloyds, society, reciprocal insurer or interinsurance
22 exchange, partnership, syndicate, business trust, corporation,
23 agent, general agent, broker, ~~solicitor~~, service
24 representative, adjuster, and every legal entity.

25 Section 5. Subsection (2) of section 624.303, Florida
26 Statutes, is amended to read:

27 624.303 Seal; certified copies as evidence.--

28 (2) All certificates executed by the department, other
29 than licenses of agents, ~~solicitors~~, or adjusters or similar
30 licenses or permits, shall bear its seal.

31 Section 6. Paragraph (a) of subsection (2) of section

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1 624.313, Florida Statutes, is amended to read:

2 624.313 Publications.--

3 (2) The department may prepare and have printed and
4 published in pamphlet or book form the following:

5 (a) As needed, questions and answers for the use of
6 persons applying for an examination for licensing as agents ~~or~~
7 ~~solicitors~~ for property, casualty, surety, health, and
8 miscellaneous insurers.

9 Section 7. Subsection (2) of section 624.317, Florida
10 Statutes, is amended to read:

11 624.317 Investigation of agents, adjusters,
12 administrators, service companies, and others.--If it has
13 reason to believe that any person has violated or is violating
14 any provision of this code, or upon the written complaint
15 signed by any interested person indicating that any such
16 violation may exist, the department shall conduct such
17 investigation as it deems necessary of the accounts, records,
18 documents, and transactions pertaining to or affecting the
19 insurance affairs of any:

20 (2) Insurance agent or, customer representative, ~~or~~
21 ~~solicitor~~, subject to the requirements of s. 626.601.

22 Section 8. Section 624.34, Florida Statutes, is
23 amended to read:

24 624.34 Authority of Department of Law Enforcement to
25 accept fingerprints of, and exchange criminal history records
26 with respect to, certain persons.--

27 (1) The Department of Law Enforcement may accept
28 fingerprints of organizers, incorporators, subscribers,
29 officers, stockholders, directors, or any other persons
30 involved, directly or indirectly, in the organization,
31 operation, or management of:

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1 (a) Any insurer or proposed insurer transacting or
2 proposing to transact insurance in this state.

3 (b) Any other entity which is examined or investigated
4 or which is eligible to be examined or investigated under the
5 provisions of the Florida Insurance Code.

6 (2) The Department of Law Enforcement may accept
7 fingerprints of individuals who apply for a license as an
8 agent, customer representative, adjuster, service
9 representative, or managing general agent or the fingerprints
10 of the majority owner, sole proprietor, partners, officers,
11 and directors of a corporation or other legal entity that
12 applies for licensure with the department under the provisions
13 of the Florida Insurance Code.

14 (3) The Department of Law Enforcement may, to the
15 extent provided for by federal law, exchange state,
16 multistate, and federal criminal history records with the
17 department and the office for the purpose of the issuance,
18 denial, suspension, or revocation of a certificate of
19 authority, certification, or license to operate in this state.

20 (4) The Department of Law Enforcement may accept
21 fingerprints of any other person required by statute or rule
22 to submit fingerprints to the department or office or any
23 applicant or licensee regulated by the department or office
24 who is required to demonstrate that he or she has not been
25 convicted of or pled guilty or nolo contendere to a felony or
26 a misdemeanor.

27 (5) The Department of Law Enforcement shall, upon
28 receipt of fingerprints from the department or office, submit
29 the fingerprints to the Federal Bureau of Investigation to
30 check federal criminal history records.

31 (6) Statewide criminal records obtained through the

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1 Department of Law Enforcement, federal criminal records
 2 obtained through the Federal Bureau of Investigation, and
 3 local criminal records obtained through local law enforcement
 4 agencies shall be used by the department and office for the
 5 purpose of issuance, denial, suspension, or revocation of
 6 certificates of authority, certifications, or licenses issued
 7 to operate in this state.

8 Section 9. Paragraph (b) of subsection (6) of section
 9 624.501, Florida Statutes, is amended, and subsection (28) is
 10 added to that section, to read:

11 624.501 Filing, license, appointment, and
 12 miscellaneous fees.--The department shall collect in advance,
 13 and persons so served shall pay to it in advance, fees,
 14 licenses, and miscellaneous charges as follows:

15 (6) Insurance representatives, property, marine,
 16 casualty, and surety insurance.

17 (b) ~~Solicitor's~~ or Customer representative' s original
 18 appointment and biennial renewal or continuation thereof:

19 Appointment fee....\$42.00
 20 State tax....12.00
 21 County tax....6.00
 22 Total....\$60.00

23 (28) Late filing of appointment renewals for agents,
 24 adjusters, and other insurance representatives, each
 25 appointment....\$20.00

26 Section 10. Section 624.504, Florida Statutes, is
 27 amended to read:

28 624.504 Liability for state, county tax.--

29 ~~(1)~~ Each authorized insurer that uses insurance agents
 30 in this state shall be liable for and shall pay the state and
 31 county taxes required therefor under s. 624.501 or s. 624.505.

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1 ~~(2) Each insurance agent in this state that uses~~
2 ~~solicitors shall be liable for and shall pay the state and~~
3 ~~county taxes required therefor under s. 624.501.~~

4 Section 11. Subsection (1) of section 624.506, Florida
5 Statutes, is amended to read:

6 624.506 County tax; deposit and remittance.--

7 (1) The Insurance Commissioner and Treasurer shall
8 deposit in the Agents ~~and Solicitors~~ County Tax Trust Fund all
9 moneys accepted as county tax under this part. She or he shall
10 keep a separate account for all moneys so collected for each
11 county and, after deducting therefrom the service charges
12 provided for in s. 215.20, shall remit the balance to the
13 counties.

14 Section 12. Subsection (1) of section 624.521, Florida
15 Statutes, is amended to read:

16 624.521 Deposit of certain tax receipts; refund of
17 improper payments.--

18 (1) The Department of Insurance shall promptly deposit
19 in the State Treasury to the credit of the Insurance
20 Commissioner's Regulatory Trust Fund all "state tax" portions
21 of agents' ~~and solicitors'~~ licenses collected under s. 624.501
22 necessary to fund the Division of Insurance Fraud. The balance
23 of the tax shall be credited to the General Fund. All moneys
24 received by the Department of Insurance not in accordance with
25 the provisions of this code or not in the exact amount as
26 specified by the applicable provisions of this code shall be
27 returned to the remitter. The records of the department shall
28 show the date and reason for such return.

29 Section 13. Section 626.015, Florida Statutes, is
30 amended to read:

31 626.015 Definitions.--As used in this part:

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1 (1) "Adjuster" means a public adjuster as defined in
2 s. 626.854, independent adjuster as defined in s. 626.855, or
3 company employee adjuster as defined in s. 626.856.

4 ~~(2) "Administrative agent" means a life agent or~~
5 ~~health agent who:~~

6 ~~(a) Is employed by a full-time licensed life agent or~~
7 ~~health agent who shall supervise and be accountable for the~~
8 ~~actions of the administrative agent.~~

9 ~~(b) Performs primarily administrative functions.~~

10 ~~(c) Receives no insurance commissions.~~

11 ~~(d) Does not solicit or transact business outside of~~
12 ~~the confines of an insurance agency office.~~

13 (2)~~(3)~~ "Agent" means a general lines agent, life
14 agent, health agent, or title agent, or all such agents, as
15 indicated by context. The term "agent" includes an insurance
16 producer or producer, but does not include a customer
17 representative, limited customer representative, or service
18 representative.

19 (3)~~(4)~~ "Appointment" means the authority given by an
20 insurer or employer to a licensee to transact insurance or
21 adjust claims on behalf of an insurer or employer.

22 (4)~~(5)~~ "Customer representative" means an individual
23 appointed by a general lines agent or agency to assist that
24 agent or agency in transacting the business of insurance from
25 the office of that agent or agency.

26 (5)~~(6)~~ "Department" means the Department of Insurance.

27 (6)~~(7)~~ "General lines agent" means an agent
28 transacting any one or more of the following kinds of
29 insurance:

30 (a) Property insurance.

31 (b) Casualty insurance, including commercial liability

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1 insurance underwritten by a risk retention group, a commercial
2 self-insurance fund as defined in s. 624.462, or a workers'
3 compensation self-insurance fund established pursuant to s.
4 624.4621.

5 (c) Surety insurance.

6 (d) Health insurance, when transacted by an insurer
7 also represented by the same agent as to property or casualty
8 or surety insurance.

9 (e) Marine insurance.

10 ~~(7)(8)~~ "Health agent" means an agent representing a
11 health maintenance organization or, as to health insurance
12 only, an insurer transacting health insurance.

13 ~~(8)(9)~~ "Home state" means the District of Columbia and
14 any state or territory of the United States in which an
15 insurance agent maintains his or her principal place of
16 residence and is licensed to act as an insurance agent.

17 ~~(9)(10)~~ "Insurance agency" means a business location
18 at which an individual, firm, partnership, corporation,
19 association, or other entity, other than an employee of the
20 individual, firm, partnership, corporation, association, or
21 other entity and other than an insurer as defined by s. 624.03
22 or an adjuster as defined by subsection (1), engages in any
23 activity or employs individuals to engage in any activity
24 which by law may be performed only by a licensed insurance
25 agent.

26 ~~(10)(11)~~ "License" means a document issued by the
27 department authorizing a person to be appointed to transact
28 insurance or adjust claims for the kind, line, or class of
29 insurance identified in the document.

30 ~~(11)(12)~~ "Life agent" means an individual representing
31 an insurer as to life insurance and annuity contracts,

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1 including agents appointed to transact life insurance,
 2 fixed-dollar annuity contracts, or variable contracts by the
 3 same insurer.

4 ~~(12)(13)~~ "Limited customer representative" means a
 5 customer representative appointed by a general lines agent or
 6 agency to assist that agent or agency in transacting only the
 7 business of private passenger motor vehicle insurance from the
 8 office of that agent or agency. A limited customer
 9 representative is subject to the Florida Insurance Code in the
 10 same manner as a customer representative, unless otherwise
 11 specified.

12 ~~(13)(14)~~ "Limited lines insurance" means those
 13 categories of business specified in ss. 626.321 and 635.011.

14 ~~(14)(15)~~ "Line of authority" means a kind, line, or
 15 class of insurance an agent is authorized to transact.

16 ~~(15)(16)~~(a) "Managing general agent" means any person
 17 managing all or part of the insurance business of an insurer,
 18 including the management of a separate division, department,
 19 or underwriting office, and acting as an agent for that
 20 insurer, whether known as a managing general agent, manager,
 21 or other similar term, who, with or without authority,
 22 separately or together with affiliates, produces directly or
 23 indirectly, or underwrites an amount of gross direct written
 24 premium equal to or more than 5 percent of the policyholder
 25 surplus as reported in the last annual statement of the
 26 insurer in any single quarter or year and also does one or
 27 more of the following:

- 28 1. Adjusts or pays claims.
- 29 2. Negotiates reinsurance on behalf of the insurer.

30 (b) The following persons shall not be considered
 31 managing general agents:

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- 1 1. An employee of the insurer.
- 2 2. A United States manager of the United States branch
- 3 of an alien insurer.
- 4 3. An underwriting manager managing all the insurance
- 5 operations of the insurer pursuant to a contract, who is under
- 6 the common control of the insurer subject to regulation under
- 7 ss. 628.801-628.803, and whose compensation is not based on
- 8 the volume of premiums written.
- 9 4. Administrators as defined by s. 626.88.
- 10 5. The attorney in fact authorized by and acting for
- 11 the subscribers of a reciprocal insurer under powers of
- 12 attorney.

13 ~~(16)(17)~~ "Resident" means an individual domiciled and

14 residing in this state.

15 ~~(17)(18)~~ "Service representative" means an individual

16 employed by an insurer or managing general agent for the

17 purpose of assisting a general lines agent in negotiating and

18 effecting insurance contracts when accompanied by a licensed

19 general lines agent. A service representative shall not be

20 simultaneously licensed as a general lines agent in this

21 state. This subsection does not apply to life insurance.

22 ~~(18)(19)~~ "Uniform application" means the uniform

23 application of the National Association of Insurance

24 Commissioners for nonresident agent licensing, effective

25 January 15, 2001, or subsequent versions adopted by rule by

26 the department.

27 Section 14. Subsection (1) of section 626.022, Florida

28 Statutes, is amended to read:

29 626.022 Scope of part.--

30 (1) This part applies as to insurance agents,

31 ~~solicitors~~, service representatives, adjusters, and insurance

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1 agencies; as to any and all kinds of insurance; and as to
 2 stock insurers, mutual insurers, reciprocal insurers, and all
 3 other types of insurers, except that:

4 (a) It does not apply as to reinsurance, except that
 5 ss. 626.011-626.031, ss. 626.102-626.181, ss. 626.191-626.211,
 6 ss. 626.291-626.301, s. 626.331, ss. 626.342-626.521, ss.
 7 626.541-626.591, and ss. 626.601-626.711 shall apply as to
 8 reinsurance intermediaries as defined in s. 626.7492.

9 (b) The applicability of this chapter as to fraternal
 10 benefit societies shall be as provided in chapter 632.

11 (c) It does not apply to a bail bond agent, as defined
 12 in s. 648.25, except as provided in chapter 648 or chapter
 13 903.

14 (d) This part does not apply to a certified public
 15 accountant licensed under chapter 473 who is acting within the
 16 scope of the practice of public accounting, as defined in s.
 17 473.302, provided that the activities of the certified public
 18 accountant are limited to advising a client of the necessity
 19 of obtaining insurance, the amount of insurance needed, or the
 20 line of coverage needed, and provided that the certified
 21 public accountant does not directly or indirectly receive or
 22 share in any commission or, referral fee, ~~or solicitor's fee~~.

23 Section 15. Paragraph (a) of subsection (7) of section
 24 626.112, Florida Statutes, is amended to read:

25 626.112 License and appointment required; agents,
 26 customer representatives, adjusters, insurance agencies,
 27 service representatives, managing general agents.--

28 (7)(a) No individual, firm, partnership, corporation,
 29 association, or any other entity shall act in its own name or
 30 under a trade name, directly or indirectly, as an insurance
 31 agency, when required to be licensed by this subsection,

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1 unless it complies with s. 626.172 with respect to possessing
 2 an insurance agency license for each place of business at
 3 which it engages in any activity which may be performed only
 4 by a licensed insurance agent ~~or solicitor~~.

5 Section 16. Paragraph (a) of subsection (2) and
 6 subsection (5) of section 626.171, Florida Statutes, are
 7 amended to read:

8 626.171 Application for license.--

9 (2) In the application, the applicant shall set forth:

10 (a) His or her full name, age, social security number,
 11 residence address, and place of business address, and mailing
 12 address.

13 (5) An application for a license as an agent, customer
 14 representative, adjuster, insurance agency, service
 15 representative, managing general agent, or reinsurance
 16 intermediary must be accompanied by a set of the individual
 17 applicant's fingerprints, or, if the applicant is not an
 18 individual, by a set of the fingerprints of the sole
 19 proprietor, majority owner, partners, officers, and directors,
 20 on a form adopted by rule of the department and accompanied by
 21 the fingerprint processing fee set forth in s. 624.501.

22 Fingerprints shall be used to investigate the applicant's
 23 qualifications pursuant to s. 626.201. The fingerprints shall
 24 be taken certified by a law enforcement agency or other
 25 department-approved entity officer.

26 Section 17. Subsection (1) of section 626.175, Florida
 27 Statutes, is amended to read:

28 626.175 Temporary licensing.--

29 (1) The department may issue a nonrenewable temporary
 30 license for a period not to exceed 6 months authorizing
 31 appointment of a general lines insurance agent or a life

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1 agent, or an industrial fire or burglary agent, subject to the
2 conditions described in this section. The fees paid for a
3 temporary license and appointment shall be as specified in s.
4 624.501. Fees paid shall not be refunded after a temporary
5 license has been issued.

6 (a) An applicant for a temporary license must be:

7 1. A natural person at least 18 years of age.

8 2. A United States citizen or legal alien who
9 possesses work authorization from the United States
10 Immigration and Naturalization Service.

11 (b)(a)1. In the case of a general lines agent, the
12 department may issue a temporary license to an employee, a
13 family member, a business associate, or a personal
14 representative of a licensed general lines agent for the
15 purpose of continuing or winding up the business affairs of
16 the agent or agency in the event the licensed agent has died
17 or become unable to perform his or her duties because of
18 military service or illness or other physical or mental
19 disability, subject to the following conditions:

20 a. No other individual connected with the agent's
21 business may be licensed as a general lines agent.

22 b. The proposed temporary licensee shall be qualified
23 for a regular general lines agent license under this code
24 except as to residence, examination, education, or experience.

25 c. Application for the temporary license shall have
26 been made by the applicant upon statements and affidavit filed
27 with the department on forms prescribed and furnished by the
28 department.

29 d. Under a temporary license and appointment, the
30 licensee shall not represent any insurer not last represented
31 by the agent being replaced and shall not be licensed or

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1 appointed as to any additional kind, line, or class of
2 insurance other than those covered by the last existing agency
3 appointments of the replaced agent. If an insurer withdraws
4 from the agency during the temporary license period, the
5 temporary licensee may be appointed by another similar insurer
6 but only for the period remaining under the temporary license.

7 2. A regular general lines agent license may be issued
8 to a temporary licensee upon meeting the qualifications for a
9 general lines agent license under s. 626.731.

10 ~~(c)(b)~~ In the case of a life agent, the department may
11 issue a temporary license:

12 1. To the executor or administrator of the estate of a
13 deceased individual licensed and appointed as a life agent at
14 the time of death;

15 2. To a surviving next of kin of the deceased
16 individual, if no administrator or executor has been appointed
17 and qualified; however, any license and appointment under this
18 subparagraph shall be canceled upon issuance of a license to
19 an executor or administrator under subparagraph 1.; or

20 3. To an individual otherwise qualified to be licensed
21 as an agent who has completed the educational or training
22 requirements prescribed in s. 626.7851 and has successfully
23 sat for the required examination prior to termination of such
24 6-month period. The department may issue this temporary
25 license only in the case of a life agent to represent an
26 insurer of the industrial or ordinary-combination class.

27 ~~(d)(c)~~ In the case of a limited license authorizing
28 appointment as an industrial fire or burglary agent, the
29 department may issue a temporary license to an individual
30 otherwise qualified to be licensed as an agent who has
31 completed the educational or training requirements prescribed

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1 in s. 626.732 and has successfully sat for the required
2 examination prior to termination of the 6-month period.

3 Section 18. Section 626.202, Florida Statutes, is
4 amended to read:

5 626.202 Fingerprinting requirements.--If there is a
6 change in ownership or control of any entity licensed under
7 this chapter, or if a new partner, officer, or director is
8 employed or appointed, a set of fingerprints of the new owner,
9 partner, officer, or director must be filed with the
10 department within 30 days after the change. The acquisition of
11 10 percent or more of the voting securities of a licensed
12 entity is considered a change of ownership or control. The
13 fingerprints must be taken ~~certified~~ by a law enforcement
14 agency or other department-approved entity officer and be
15 accompanied by the fingerprint processing fee in s. 624.501.

16 Section 19. Section 626.201, Florida Statutes, is
17 amended to read:

18 626.201 Investigation.--

19 (1) The department may propound any reasonable
20 interrogatories in addition to those contained in the
21 application, to any applicant for license or appointment, or
22 on any renewal, reinstatement, or continuation thereof,
23 relating to his or her qualifications, residence, prospective
24 place of business, and any other matter which, in the opinion
25 of the department, is deemed necessary or advisable for the
26 protection of the public and to ascertain the applicant's
27 qualifications.

28 (2) The department may, upon completion of the
29 application, make such further investigation as it may deem
30 advisable of the applicant's character, experience,
31 background, and fitness for the license or appointment. Such

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1 an inquiry or investigation shall be in addition to any
2 examination required to be taken by the applicant as
3 hereinafter in this chapter provided.

4 (3) An inquiry or investigation of the applicant's
5 qualifications, character, experience, background, and fitness
6 must include submission of the applicant's fingerprints to the
7 Department of Law Enforcement and the Federal Bureau of
8 Investigation and consideration of any state criminal records,
9 federal criminal records, or local criminal records obtained
10 from these agencies or from local law enforcement agencies.

11 Section 20. Paragraphs (e), (f), (g), and (k) of
12 subsection (2) of section 626.221, Florida Statutes, are
13 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 (e) An individual who qualified as a managing general
18 agent, service representative, customer representative, or
19 all-lines adjuster by passing a general lines agent's
20 examination and subsequently was licensed and appointed and
21 has been actively engaged in all lines of property and
22 casualty insurance may, upon filing an application for
23 appointment, be licensed and appointed as a general lines
24 agent for the same kinds of business without taking another
25 examination if he or she holds any such currently effective
26 license referred to in this paragraph or held the license
27 within ~~48~~ 24 months prior to the date of filing the
28 application with the department.

29 (f) A person who has been licensed and appointed by
30 the department as a public adjuster or independent adjuster,
31 or licensed and appointed either as an agent or company

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1 adjuster as to all property, casualty, and surety insurances,
2 may be licensed and appointed as a company adjuster as to any
3 of such insurances, or as an independent adjuster or public
4 adjuster, without additional written examination if an
5 application for appointment is filed with the department
6 within ~~48~~ 24 months following the date of cancellation or
7 expiration of the prior appointment.

8 (g) A person who has been licensed by the department
9 as an adjuster for motor vehicle, property and casualty,
10 workers' compensation, and health insurance may be licensed as
11 such an adjuster without additional written examination if his
12 or her application for appointment is filed with the
13 department within ~~48~~ 24 months after cancellation or
14 expiration of the prior license.

15 (k) An applicant for license as a customer
16 representative who has the designation of Accredited Advisor
17 in Insurance (AAI) from the Insurance Institute of America,
18 the designation of Certified Insurance Counselor (CIC) from
19 the Society of Certified Insurance Service Counselors, the
20 designation of Accredited Customer Service Representative
21 (ACSR) from the Independent Insurance Agents of America, the
22 designation of Certified Professional Service Representative
23 (CPSR) from the National Foundation for Certified Professional
24 Service Representatives Association of Professional Insurance
25 Agents, the designation of Certified Insurance Service
26 Representative (CISR) from the Society of Certified Insurance
27 Service Representatives. Also, an applicant for license as a
28 customer representative who has the designation of Certified
29 Customer Service Representative (CCSR) from the Florida
30 Association of Insurance Agents, or the designation of
31 Registered Customer Service Representative (RCSR) from a

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1 regionally accredited postsecondary institution in this state,
2 or the designation of Professional Customer Service
3 Representative (PCSR) from the Professional Career Institute,
4 whose curriculum has been approved by the department and whose
5 curriculum includes comprehensive analysis of basic property
6 and casualty lines of insurance and testing at least equal to
7 that of standard department testing for the customer
8 representative license. The department shall adopt rules
9 establishing standards for the approval of curriculum.

10 Section 21. Paragraphs (a), (c), and (d) of subsection
11 (3), paragraphs (a), (b), (c), (d),(g), (h), and (i) of
12 subsection (4), and paragraph (b) of subsection (6) of section
13 626.2815, Florida Statutes, are amended to read:

14 626.2815 Continuing education required; application;
15 exceptions; requirements; penalties.--

16 (3)(a) Each person subject to the provisions of this
17 section must, except as set forth in paragraphs (b) and (c),
18 complete a minimum of 24 ~~28~~ hours of continuing education
19 courses every 2 years in basic or higher-level courses
20 prescribed by this section or in other courses approved by the
21 department. Each person subject to the provisions of this
22 section must complete, as part of his or her ~~their~~ required
23 number of continuing education hours, 3 hours of continuing
24 education, approved by the department, every 2 years on the
25 subject matter of ethics and a minimum of 2 hours of
26 continuing education, approved by the department, every 2
27 years on the subject matter of unauthorized entities engaging
28 in the business of insurance. The scope of the topic of
29 unauthorized entities shall include the Florida Nonprofit
30 Multiple Employer Welfare Arrangement Act and the Employee
31 Retirement Income Security Act, 29 U.S.C. ss. 1001 et seq., as

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1 | it relates to the provision of health insurance by employers
2 | to their employees and the regulation thereof.

3 | (c) A licensee who has been licensed for 25 years or
4 | more and is a CLU or a CPCU or has a Bachelor of Science
5 | degree in risk management or insurance with evidence of 18 or
6 | more semester hours in upper-level insurance-related courses
7 | must complete 12 ~~14~~ hours of continuing education courses
8 | every 2 years in courses prescribed by this section or in
9 | other courses approved by the department, except, for
10 | compliance periods beginning January 1, 1998, the licensees
11 | described in this paragraph shall be required to complete 10
12 | hours of continuing education courses every 2 years.

13 | (d) Any person who holds a license as a customer
14 | representative, limited customer representative,
15 | ~~administrative agent~~, title agent, motor vehicle physical
16 | damage and mechanical breakdown insurance agent, crop or hail
17 | and multiple-peril crop insurance agent, or as an industrial
18 | fire insurance or burglary insurance agent and who is not a
19 | licensed life or health insurance agent, shall be required to
20 | complete 12 ~~14~~ hours of continuing education courses every 2
21 | years, except, for compliance periods beginning on January 1,
22 | 1998, each licensee subject to this paragraph shall be
23 | required to complete 10 hours of continuing education courses
24 | every 2 years.

25 | (4) The following courses may be completed in order to
26 | meet the continuing education course requirements:

27 | (a) Any part of the Life Underwriter Training Council
28 | Life Course Curriculum: 24 ~~28~~ hours; Health Course: 12 ~~14~~
29 | hours.

30 | (b) Any part of the American College "CLU" diploma
31 | curriculum: 24 ~~28~~ hours.

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1 (c) Any part of the Insurance Institute of America's
2 program in general insurance: 12 ~~14~~ hours.

3 (d) Any part of the American Institute for Property
4 and Liability Underwriters' Chartered Property Casualty
5 Underwriter (CPCU) professional designation program: 24 ~~28~~
6 hours.

7 (g) In the case of title agents, completion of the
8 Certified Land Closer(CLC) professional designation program
9 and receipt of the designation: 24 ~~28~~ hours.

10 (h) In the case of title agents, completion of the
11 Certified Land Searcher(CLS) professional designation program
12 and receipt of the designation: 24 ~~28~~ hours.

13 (i) Any insurance-related course which is approved by
14 the department and taught by an accredited college or
15 university per credit hour granted: 12 ~~14~~ hours.

16 (6)

17 (b) The board members shall be appointed as follows:

18 1. Seven members representing agents of which at least
19 one must be a representative from each of the following
20 organizations: the Florida Association of Insurance Agents;
21 the Florida Association of Insurance and Financial Advisors
22 ~~Life Underwriters~~; the Professional Insurance Agents of
23 Florida, Inc.; the Florida Association of Health Underwriters;
24 the Specialty Agents' Association; the Latin American Agents'
25 Association; and the National Association of Insurance Women.
26 Such board members must possess at least a bachelor's degree
27 or higher from an accredited college or university with major
28 coursework in insurance, risk management, or education or
29 possess the designation of CLU, CPCU, CHFC, CFP, AAI, or CIC.
30 In addition, each member must possess 5 years of classroom
31 instruction experience or 5 years of experience in the

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1 development or design of educational programs or 10 years of
 2 experience as a licensed resident agent. Each organization may
 3 submit to the department a list of recommendations for
 4 appointment. If one organization does not submit a list of
 5 recommendations, the Insurance Commissioner may select more
 6 than one recommended person from a list submitted by other
 7 eligible organizations.

8 2. Two members representing insurance companies at
 9 least one of whom must represent a Florida Domestic Company
 10 and one of whom must represent the Florida Insurance Council.
 11 Such board members must be employed within the training
 12 department of the insurance company. At least one such member
 13 must be a member of the Society of Insurance Trainers and
 14 Educators.

15 3. One member representing the general public who is
 16 not directly employed in the insurance industry. Such board
 17 member must possess a minimum of a bachelor's degree or higher
 18 from an accredited college or university with major coursework
 19 in insurance, risk management, training, or education.

20 4. One member, appointed by the Insurance
 21 Commissioner, who represents the department.

22 Section 22. Section 626.2816, Florida Statutes, is
 23 amended to read:

24 626.2816 Regulation of continuing education for
 25 licensees, course providers, instructors, school officials,
 26 and monitor groups.--

27 (1) Continuing education course providers,
 28 instructors, school officials, and monitor groups must be
 29 approved by the department before offering continuing
 30 education courses pursuant to s. 626.2815 or s. 626.869.

31 (2) The department shall adopt rules establishing

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1 standards for the approval, regulation, and operation of the
 2 continuing education programs and for the discipline of
 3 licensees, course providers, instructors, school officials,
 4 and monitor groups. The standards must be designed to ensure
 5 that such course providers, instructors, school officials, and
 6 monitor groups have the knowledge, competence, and integrity
 7 to fulfill the educational objectives of ss. 626.2815,
 8 626.869(5), 648.385, and 648.386.

9 (3) The department shall adopt rules establishing a
 10 process by which compliance with the continuing education
 11 requirements of ss. 626.2815, 626.869(5), 648.385, and 648.386
 12 can be determined, the establishment of a continuing education
 13 compliance period ~~requirement cycle~~ for licensees, and forms
 14 necessary to implement such a process.

15 Section 23. Subsection (3) of section 626.2817,
 16 Florida Statutes, is amended to read:

17 626.2817 Regulation of course providers, instructors,
 18 school officials, and monitor groups involved in prelicensure
 19 education for insurance agents and other licensees.--

20 (3) The department shall adopt rules to establish a
 21 process for determining compliance with the prelicensure
 22 requirements of this chapter and chapter 648 ~~and shall~~
 23 ~~establish a prelicensure cycle for insurance agents and other~~
 24 ~~licensees~~. The department shall adopt rules prescribing the
 25 forms necessary to administer the prelicensure requirements.

26 Section 24. Subsections (5) and (6) are added to
 27 section 626.311, Florida Statutes, to read:

28 626.311 Scope of license.--

29 (5) At any time while a license is in force, an
 30 insurer may apply to the department on behalf of the licensee
 31 for an appointment. Upon receipt of the appointment

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1 application and appointment taxes and fees, the department may
2 issue the additional appointment without further investigation
3 concerning the applicant.

4 (6) The department may contract with other persons to
5 administer the appointment process.

6 Section 25. Paragraphs (a) and (e) of subsection (1)
7 and subsections (2) and (3) of section 626.321, Florida
8 Statutes, are amended to read:

9 626.321 Limited licenses.--

10 (1) The department shall issue to a qualified
11 individual, or a qualified individual or entity under
12 paragraphs (c), (d), (e), and (i), a license as agent
13 authorized to transact a limited class of business in any of
14 the following categories:

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

29 (e) Credit life or disability insurance.--License
30 covering only credit life or disability insurance. The license
31 may be issued only to an individual employed by a life or

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

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

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

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

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1 ~~posted at the business location for which it was issued so as~~
 2 ~~to be readily visible to prospective purchasers of such~~
 3 ~~coverage.~~

4 (2) An entity applying for a license under this
 5 section is required to:

6 (a) Submit only one application for a license under s.
 7 626.171. The requirements of s. 626.171(5) shall only apply to
 8 the officers and directors of the entity submitting the
 9 application.

10 (b) Obtain a license for each office, branch office,
 11 or place of business making use of the entity's business name
 12 by applying to the department for the license on a simplified
 13 application form developed by rule of the department for this
 14 purpose.

15 (c) Pay the applicable fees for a license as
 16 prescribed in s. 624.501, be appointed under s. 626.112, and
 17 pay the prescribed appointment fee under s. 624.501. A
 18 licensed and appointed entity shall be directly responsible
 19 and accountable for all acts of the licensee's employees.

20 ~~(3)(2)~~ The limitations of any license issued under
 21 this section shall be expressed therein. The licensee shall
 22 have a separate and additional appointment as to each insurer
 23 represented.

24 ~~(4)(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

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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 26. Section 626.322, Florida Statutes, is
8 amended to read:

9 626.322 License, appointment; certain military
10 installations.--A natural person, not a resident of this
11 state, may be licensed and appointed to represent an
12 authorized life insurer domiciled in this state or an
13 authorized foreign life insurer which maintains a regional
14 home office in this state, provided such person represents
15 such insurer exclusively at a United States military
16 installation located in a foreign country. The department may,
17 upon request of the applicant and the insurer on application
18 forms furnished by the department and upon payment of fees as
19 prescribed in s. 624.501, issue a license and appointment to
20 such person. By authorizing the effectuation of an appointment
21 for a license, the insurer is thereby certifying ~~shall certify~~
22 to the department that the applicant has the necessary
23 training to hold himself or herself out as a life insurance
24 representative, and the insurer shall further certify that it
25 is willing to be bound by the acts of such applicant within
26 the scope of his or her employment. Appointments shall be
27 continued as prescribed in s. 626.381 and upon payment of a
28 fee as prescribed in s. 624.501, unless sooner terminated.
29 Such fees received shall be credited to the Insurance
30 Commissioner's Regulatory Trust Fund as provided for in s.
31 624.523.

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1 Section 27. Section 626.341, Florida Statutes, is
 2 amended to read:

3 626.341 Additional appointments; general lines, life,
 4 and health agents.--

5 (1) At any time while a licensee's license is in
 6 force, an insurer may apply to the department or person
 7 designated by the department to administer the appointment
 8 process on behalf of a licensee for an additional appointment
 9 as general lines agent or life or health agent for an
 10 additional insurer or insurers. The application for
 11 appointment shall set forth all information the department may
 12 require. Upon receipt of the appointment and payment of the
 13 applicable appointment taxes and fees, the department may
 14 issue the additional appointment without, in its discretion,
 15 further investigation concerning the applicant.

16 (2) A life or health agent with an appointment in
 17 force may solicit applications for policies of insurance on
 18 behalf of an insurer with respect to which he or she is not an
 19 appointed life or health agent, unless otherwise provided by
 20 contract, if such agent simultaneously with the submission to
 21 such insurer of the application for insurance solicited by him
 22 or her requests the insurer to appoint him or her as agent.
 23 However, no commissions shall be paid by such insurer to the
 24 agent until such time as an additional appointment with
 25 respect to such insurer has been received by the department or
 26 person designated by the department to administer the
 27 appointment process pursuant to the provisions of subsection
 28 (1).

29 Section 28. Section 626.371, Florida Statutes, is
 30 amended to read:

31 626.371 Payment of fees, taxes for appointment period

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1 without appointment.--

2 (1) All initial appointments shall be submitted to the
3 department on a monthly basis no later than 45 days after the
4 date of appointment and become effective on the date requested
5 on the appointment form.

6 (2) If, upon application and qualification for an
7 initial or renewal appointment and such investigation as the
8 department may make, it appears to the department that an
9 individual who was formerly licensed or is currently licensed
10 but not properly appointed to represent an insurer or employer
11 and who has been actively engaged or is currently actively
12 engaged as such an appointee, but without being appointed as
13 required, the department may, if it finds that such failure to
14 be appointed was an inadvertent error on the part of the
15 insurer or employer so represented, nevertheless issue or
16 authorize the issuance of the appointment as applied for but
17 subject to the condition that, before the appointment is
18 issued, all fees and taxes which would have been due had the
19 applicant been so appointed during such current and prior
20 periods, together with applicable fees pursuant to s. 624.501
21 a continuation fee for such current and prior periods terms of
22 appointment, shall be paid to the department.

23 (3)(a) Failure to notify the department within the
24 required time period shall result in the appointing entity
25 being assessed a delinquent fee of \$250 per appointee.
26 Delinquent fees shall be paid by the appointing entity and may
27 not be charged to the appointee.

28 (b) Failure to timely renew an appointment by an
29 appointing entity prior to the expiration date of the
30 appointment shall result in the appointing entity being
31 assessed late filing, continuation, and reinstatement fees as

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1 prescribed in s. 624.501. Such fees must be paid by the
2 appointing entity and cannot be charged back to the appointee.

3 Section 29. Subsections (3) and (4) of section
4 626.381, Florida Statutes, are amended and a new subsection
5 (7) is added to that section to read:

6 626.381 Renewal, continuation, reinstatement, or
7 termination of appointment.--

8 (3) Renewal of an appointment which is received ~~on a~~
9 ~~date set forth~~ by the department or person designated by the
10 department to administer the appointment process prior to the
11 expiration of an appointment in the licensee's birth month or
12 license issue date, whichever applies, in the succeeding month
13 may be renewed by the department without penalty and shall be
14 effective as of the first day of the month succeeding the
15 month in which the appointment would have expired.

16 (4) Renewal of an appointment which is received by the
17 department or person designated by the department to
18 administer the appointment process after the renewal date set
19 ~~by the department~~ may be accepted and effectuated by the
20 department in its discretion if the an additional appointment,
21 late filing, continuation, and reinstatement fee accompanies
22 the renewal request pursuant to s. 624.501. Late filing fees
23 shall be paid by the appointing entity and may not be charged
24 to the appointee.

25 (7) The department may adopt rules to implement this
26 section.

27 Section 30. Subsections (1), (2), and (3) of section
28 626.451, Florida Statutes, are amended, and subsection (7) is
29 added to that section, to read:

30 626.451 Appointment of agent or other
31 representative.--

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1 (1) Each appointing entity or person designated by the
2 department to administer the appointment process appointing an
3 agent, adjuster, service representative, customer
4 representative, or managing general agent in this state shall
5 file the appointment with the department and, at the same
6 time, pay the applicable appointment fee and taxes. Every
7 appointment shall be subject to the prior issuance of the
8 appropriate agent's, adjuster's, service representative's,
9 customer representative's, or managing general agent's
10 license.

11 (2) By authorizing the effectuation of an appointment
12 for a licensee, the appointing entity is thereby certifying to
13 the department that an investigation of the licensee has been
14 made ~~As a part of each appointment there shall be a certified~~
15 ~~statement or affidavit of an appropriate officer or official~~
16 ~~of the appointing entity stating what investigation the~~
17 ~~appointing entity has made concerning the proposed appointee~~
18 ~~and his or her background and that in the appointing entity's~~
19 ~~opinion and to the best of its knowledge and belief, the~~
20 licensee is of good as to the moral character and reputation,
21 and is fit to engage in the insurance business. The appointing
22 entity shall provide to the department fitness, and reputation
23 ~~of the proposed appointee and any other information the~~
24 department may reasonably require relative to the proposed
25 appointee.

26 (3) By authorizing the effectuation of in the
27 appointment of an agent, adjuster, service representative,
28 customer representative, or managing general agent the
29 appointing entity is thereby certifying to the department
30 ~~shall also certify therein~~ that it is willing to be bound by
31 the acts of the agent, adjuster, service representative,

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1 customer representative, or managing general agent, within the
2 scope of the licensee's ~~his or her~~ employment.

3 (7) Each licensee shall advise the department in
4 writing within 30 days after having been found guilty of or
5 having pleaded guilty or nolo contendere to a felony or a
6 crime punishable by imprisonment of 1 year or more under the
7 laws of the United States, any state of the United States, or
8 any other country, without regard to whether a judgment of
9 conviction has been entered by the court having jurisdiction
10 of such cases.

11 Section 31. Section 626.461, Florida Statutes, is
12 amended to read:

13 626.461 Continuation of appointment of agent or other
14 representative.--Subject to renewal or continuation by the
15 appointing entity, the appointment of the agent, adjuster,
16 ~~solicitor~~, service representative, customer representative, or
17 managing general agent shall continue in effect until the
18 person's license is revoked or otherwise terminated, unless
19 written notice of earlier termination of the appointment is
20 filed with the department or person designated by the
21 department to administer the appointment process by either the
22 appointing entity or the appointee.

23 Section 32. Subsections (4) and (5) of section
24 626.471, Florida Statutes, are amended to read:

25 626.471 Termination of appointment.--

26 (4) An appointee may terminate the appointment at any
27 time by giving written or electronic notice thereof to the
28 appointing entity, ~~and filing a copy of the notice with the~~
29 department, or person designated by the department to
30 administer the appointment process. The department shall
31 immediately terminate the appointment and notify the

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1 appointing entity of such termination. Such termination shall
 2 be subject to the appointee's contract rights, if any.

3 (5) Upon receiving notice of termination, the
 4 department or person designated by the department to
 5 administer the appointment process shall terminate the
 6 appointment.

7 Section 33. Subsection (5) of section 626.601, Florida
 8 Statutes, is amended to read:

9 626.601 Improper conduct; inquiry; fingerprinting.--

10 (5) If the department, after investigation, has reason
 11 to believe that a licensee may have been found guilty of or
 12 pleaded guilty or nolo contendere to a felony or a crime
 13 related to the business of insurance in this or any other
 14 state or jurisdiction, the department may require the licensee
 15 to file with the department a complete set of his or her
 16 fingerprints, which shall be accompanied by the fingerprint
 17 processing fee set forth in s. 624.501. The fingerprints shall
 18 be taken certified by an authorized law enforcement agency or
 19 other department-approved entity officer.

20 Section 34. Paragraph (b) of subsection (1) of section
 21 626.731, Florida Statutes, is amended to read:

22 626.731 Qualifications for general lines agent's
 23 license.--

24 (1) The department shall not grant or issue a license
 25 as general lines agent to any individual found by it to be
 26 untrustworthy or incompetent or who does not meet each of the
 27 following qualifications:

28 (b) The applicant is a United States citizen or legal
 29 alien who possesses work authorization from the United States
 30 Immigration and Naturalization Service and is a bona fide
 31 resident of this state. An individual who is a bona fide

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1 resident of this state shall be deemed to meet the residence
 2 requirement of this paragraph, notwithstanding the existence
 3 at the time of application for license of a license in his or
 4 her name on the records of another state as a resident
 5 licensee of such other state, if the applicant furnishes a
 6 letter of clearance satisfactory to the department that the
 7 resident licenses have been canceled or changed to a
 8 nonresident basis and that he or she is in good standing.

9 Section 35. Subsection (2) of section 626.7315,
 10 Florida Statutes, is amended to read:

11 626.7315 Prohibition against the unlicensed
 12 transaction of general lines insurance.--With respect to any
 13 line of authority as defined in s. 626.015(7), no individual
 14 shall, unless licensed as a general lines agent:

15 (2) In this state, receive or issue a receipt for any
 16 money on account of or for any insurer, or receive or issue a
 17 receipt for money from other persons to be transmitted to any
 18 insurer for a policy, contract, or certificate of insurance or
 19 any renewal thereof, even though the policy, certificate, or
 20 contract is not signed by him or her as agent or
 21 representative of the insurer, except as provided in s.
 22 626.0428(1) ;

23 Section 36. Paragraphs (a), (b), and (d) of subsection
 24 (1) of section 626.732, Florida Statutes, are amended to read:

25 626.732 Requirement as to knowledge, experience, or
 26 instruction.--

27 (1) Except as provided in subsection (3), no applicant
 28 for a license as a general lines agent, except for a chartered
 29 property and casualty underwriter(CPCU), other than as to a
 30 limited license as to baggage and motor vehicle excess
 31 liability insurance, credit property insurance, credit

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1 insurance, in-transit and storage personal property insurance,
2 or communications equipment property insurance or
3 communication equipment inland marine insurance, shall be
4 qualified or licensed unless within the 4 years immediately
5 preceding the date the application for license is filed with
6 the department the applicant has:

7 (a) Taught or successfully completed classroom courses
8 in insurance, 3 hours of which shall be on the subject matter
9 of ethics, satisfactory to the department at a school,
10 college, or extension division thereof, approved by the
11 department;

12 (b) Completed a correspondence course in insurance, 3
13 hours of which shall be on the subject matter of ethics,
14 satisfactory to the department and regularly offered by
15 accredited institutions of higher learning in this state and,
16 except if he or she is applying for a limited license under s.
17 626.321, has had at least 6 months of responsible insurance
18 duties as a substantially full-time bona fide employee in all
19 lines of property and casualty insurance set forth in the
20 definition of general lines agent under s. 626.015;

21 (d)1. Completed at least 1 year of responsible
22 insurance duties as a licensed and appointed customer
23 representative or limited customer representative in either
24 commercial or personal lines of property and casualty
25 insurance and 40 hours of classroom courses approved by the
26 department covering the areas of property, casualty, surety,
27 health, and marine insurance; or

28 2. Completed at least 1 year of responsible insurance
29 duties as a licensed and appointed service representative in
30 either commercial or personal lines of property and casualty
31 insurance and 80 hours of classroom courses approved by the

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1 department covering the areas of property, casualty, surety,
2 health, and marine insurance.

3 Section 37. Section 626.733, Florida Statutes, is
4 amended to read:

5 626.733 Agency firms and corporations; special
6 requirements.--If a sole proprietorship, partnership,
7 corporation, or association holds an agency contract, all
8 members thereof who solicit, negotiate, or effect insurance
9 contracts, and all officers and stockholders of the
10 corporation who solicit, negotiate, or effect insurance
11 contracts, are required to qualify and be licensed
12 individually as agents, ~~solicitors~~, or customer
13 representatives; and all of such agents must be individually
14 appointed as to each property and casualty insurer entering
15 into an agency contract with such agency. Each such appointing
16 insurer as soon as known to it shall comply with this section
17 and shall determine and require that each agent so associated
18 in or so connected with such agency is likewise appointed as
19 to the same such insurer and for the same type and class of
20 license. However, no insurer is required to comply with the
21 provisions of this section if such insurer satisfactorily
22 demonstrates to the department that the insurer has issued an
23 aggregate net written premium, in an agency, in an amount of
24 \$25,000 or less.

25 Section 38. Paragraph (a) of subsection (2) and
26 subsection (3) of section 626.7351, Florida Statutes, are
27 amended to read:

28 626.7351 Qualifications for customer representative's
29 license.--The department shall not grant or issue a license as
30 customer representative to any individual found by it to be
31 untrustworthy or incompetent, or who does not meet each of the

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1 following qualifications:

2 (2)(a) The applicant is a United States citizen or
3 legal alien who possesses work authorization from the United
4 States Immigration and Naturalization Service and is a bona
5 fide resident of this state and will actually reside in the
6 state at least 6 months out of the year. An individual who is
7 a bona fide resident of this state shall be deemed to meet the
8 residence requirements of this subsection, notwithstanding the
9 existence at the time of application for license of a license
10 in his or her name on the records of another state as a
11 resident licensee of the other state, if the applicant
12 furnishes a letter of clearance satisfactory to the department
13 that the resident licenses have been canceled or changed to a
14 nonresident basis and that he or she is in good standing.

15 (3) Within the 2 years next preceding the date the
16 application for license was filed with the department, the
17 applicant has completed a course in insurance, 3 hours of
18 which shall be on the subject matter of ethics, approved by
19 the department or has had at least 6 months' experience in
20 responsible insurance duties as a substantially full-time
21 employee. Courses must include instruction on the subject
22 matter of unauthorized entities engaging in the business of
23 insurance. The scope of the topic of unauthorized entities
24 shall include the Florida Nonprofit Multiple-Employer Welfare
25 Arrangement Act and the Employee Retirement Income Security
26 Act, 29 U.S.C. ss. 1001 et seq., as such acts relate to the
27 provision of health insurance by employers and the regulation
28 of such insurance.

29 Section 39. Subsection (2) of section 626.7354,
30 Florida Statutes, is amended to read:

31 626.7354 Customer representative's powers; agent's or

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1 agency's responsibility.--

2 (2) A customer representative may engage in
3 transacting insurance with customers who have been solicited
4 by any agent, ~~solicitor~~, or customer representative in the
5 same agency, and may engage in transacting insurance with
6 customers who have not been so solicited to the extent and
7 under conditions that are otherwise consistent with this part
8 and with the insurer's contract with the agent appointing him
9 or her.

10 Section 40. Paragraph (c) of subsection (1) of section
11 626.7355, Florida Statutes, is amended to read:

12 626.7355 Temporary license as customer representative
13 pending examination.--

14 (1) The department shall issue a temporary customer
15 representative's license with respect to a person who has
16 applied for such license upon finding that the person:

17 (c) Is a United States citizen or legal alien who
18 possesses work authorization from the United States
19 Immigration and Naturalization Service and is a bona fide
20 resident of this state or is a resident of another state
21 sharing a common boundary with this state. An individual who
22 is a bona fide resident of this state shall be deemed to meet
23 the residence requirement of this paragraph, notwithstanding
24 the existence at the time of application for license, of a
25 license in his or her name on the records of another state as
26 a resident licensee of such other state, if the applicant
27 furnishes a letter of clearance satisfactory to the department
28 that his or her resident licenses have been canceled or
29 changed to a nonresident basis and that he or she is in good
30 standing.

31 Section 41. Subsection (3) of section 626.741, Florida

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1 Statutes, is amended to read:

2 626.741 Nonresident agents; licensing and
3 restrictions.--

4 (3) The department shall not, however, issue any
5 license and appointment to any nonresident who has an office
6 or place of business in this state, or who has any direct or
7 indirect pecuniary interest in any insurance agent or
8 insurance agency, ~~or in any solicitor~~ licensed as a resident
9 of this state; nor to any individual who does not, at the time
10 of issuance and throughout the existence of the Florida
11 license, hold a license as agent or broker issued by his or
12 her home state; nor to any individual who is employed by any
13 insurer as a service representative or who is a managing
14 general agent in any state, whether or not also licensed in
15 another state as an agent or broker. The foregoing requirement
16 to hold a similar license in the applicant's home state does
17 not apply to customer representatives unless the home state
18 licenses residents of that state in a similar manner. The
19 prohibition against having an office or place of business in
20 this state does not apply to customer representatives who are
21 required to conduct business solely within the confines of the
22 office of a licensed and appointed Florida resident general
23 lines agent in this state. The authority of such nonresident
24 license is limited to the specific lines of authority granted
25 in the license issued by the agent's home state and further
26 limited to the specific lines authorized under the nonresident
27 license issued by this state. The department shall have
28 discretion to refuse to issue any license or appointment to a
29 nonresident when it has reason to believe that the applicant
30 by ruse or subterfuge is attempting to avoid the intent and
31 prohibitions contained in this subsection or to believe that

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1 any of the grounds exist as for suspension or revocation of
2 license as set forth in ss. 626.611 and 626.621.

3 Section 42. Paragraph (a) of subsection (1) of section
4 626.753, Florida Statutes, is amended to read:

5 626.753 Sharing commissions; penalty.--

6 (1)(a) An agent may divide or share in commissions
7 only ~~with his or her own employed solicitors and~~ with other
8 agents appointed and licensed to write the same kind or kinds
9 of insurance.

10 Section 43. Paragraphs (b) and (d) of subsection (1)
11 of section 626.785, Florida Statutes, are amended to read:

12 626.785 Qualifications for license.--

13 (1) The department shall not grant or issue a license
14 as life agent to any individual found by it to be
15 untrustworthy or incompetent, or who does not meet the
16 following qualifications:

17 (b) Must be a United States citizen or legal alien who
18 possesses work authorization from the United States
19 Immigration and Naturalization Service and a bona fide
20 resident of this state.

21 (d) Must not be a funeral director or direct disposer,
22 or an employee or representative thereof, or have an office
23 in, or in connection with, a funeral establishment, except
24 that a funeral establishment may contract with a life
25 insurance agent to sell a preneed contract as defined in
26 chapter 497. Notwithstanding other provisions of this chapter,
27 such insurance agent may sell limited policies of insurance
28 covering the expense of final disposition or burial of an
29 insured in the an amount of \$12,500, plus an annual percentage
30 increase based on the Annual Consumer Price Index compiled by
31 the United States Department of Labor, beginning with the

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1 Annual Consumer Price Index announced by the United States
2 Department of Labor for the year 2003 ~~not to exceed \$10,000.~~

3 Section 44. Subsections (1) and (2) of section
4 626.7851, Florida Statutes, are amended to read:

5 626.7851 Requirement as to knowledge, experience, or
6 instruction.--No applicant for a license as a life agent,
7 except for a chartered life underwriter (CLU), shall be
8 qualified or licensed unless within the 4 years immediately
9 preceding the date the application for a license is filed with
10 the department he or she has:

11 (1) Successfully completed 40 hours of classroom
12 courses in insurance, 3 hours of which shall be on the subject
13 matter of ethics, satisfactory to the department at a school
14 or college, or extension division thereof, or other authorized
15 course of study, approved by the department. Courses must
16 include instruction on the subject matter of unauthorized
17 entities engaging in the business of insurance, to include the
18 Florida Nonprofit Multiple-Employer Welfare Arrangement Act
19 and the Employee Retirement Income Security Act, 29 U.S.C. ss.
20 1001 et seq., as it relates to the provision of life insurance
21 by employers to their employees and the regulation thereof;

22 (2) Successfully completed a correspondence course in
23 insurance, 3 hours of which shall be on the subject matter of
24 ethics, satisfactory to the department and regularly offered
25 by accredited institutions of higher learning in this state,
26 approved by the department. Courses must include instruction
27 on the subject matter of unauthorized entities engaging in the
28 business of insurance, to include the Florida Nonprofit
29 Multiple-Employer Welfare Arrangement Act and the Employee
30 Retirement Income Security Act, 29 U.S.C. ss. 1001 et seq., as
31 it relates to the provision of life insurance by employers to

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1 their employees and the regulation thereof;

2 Section 45. Subsection (2) of section 626.829, Florida
3 Statutes, is amended to read:

4 626.829 "Health agent" defined.--

5 (2) Any person who acts for an insurer, or on behalf
6 of a licensed representative of an insurer, to solicit
7 applications for or to negotiate and effectuate health
8 insurance contracts, whether or not he or she is appointed as
9 an agent, subagent, ~~solicitor~~, or canvasser or by any other
10 title, shall be deemed to be a health agent and shall be
11 qualified, licensed, and appointed as a health agent.

12 Section 46. Paragraph (b) of subsection (1) of section
13 626.831, Florida Statutes, is amended to read:

14 626.831 Qualifications for license.--

15 (1) The department shall not grant or issue a license
16 as health agent as to any individual found by it to be
17 untrustworthy or incompetent, or who does not meet the
18 following qualifications:

19 (b) Must be a United States citizen or legal alien who
20 possesses work authorization from the United States
21 Immigration and Naturalization Service and a bona fide
22 resident of this state.

23 Section 47. Subsections (1) and (2) of section
24 626.8311, Florida Statutes, are amended to read:

25 626.8311 Requirement as to knowledge, experience, or
26 instruction.--No applicant for a license as a health agent,
27 except for a chartered life underwriter (CLU), shall be
28 qualified or licensed unless within the 4 years immediately
29 preceding the date the application for license is filed with
30 the department he or she has:

31 (1) Successfully completed 40 hours of classroom

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1 courses in insurance, 3 hours of which shall be on the subject
 2 matter of ethics, satisfactory to the department at a school
 3 or college, or extension division thereof, or other authorized
 4 course of study, approved by the department. Courses must
 5 include instruction on the subject matter of unauthorized
 6 entities engaging in the business of insurance, to include the
 7 Florida Nonprofit Multiple-Employer Welfare Arrangement Act
 8 and the Employee Retirement Income Security Act, 29 U.S.C. ss.
 9 1001 et seq., as it relates to the provision of health
 10 insurance by employers to their employees and the regulation
 11 thereof;

12 (2) Successfully completed a correspondence course in
 13 insurance, 3 hours of which shall be on the subject matter of
 14 ethics, satisfactory to the department and regularly offered
 15 by accredited institutions of higher learning in this state,
 16 approved by the department. Courses must include instruction
 17 on the subject matter of unauthorized entities engaging in the
 18 business of insurance, to include the Florida Nonprofit
 19 Multiple-Employer Welfare Arrangement Act and the Employee
 20 Retirement Income Security Act, 29 U.S.C. ss. 1001 et seq., as
 21 it relates to the provision of health insurance by employers
 22 to their employees and the regulation thereof;

23 Section 48. Subsection (2) of section 626.8414,
 24 Florida Statutes, is amended to read:

25 626.8414 Qualifications for examination.--The
 26 department must authorize any natural person to take the
 27 examination for the issuance of a license as a title insurance
 28 agent if the person meets all of the following qualifications:

29 (2) The applicant must be a United States citizen or
 30 legal alien who possesses work authorization from the United
 31 States Immigration and Naturalization Service and a bona fide

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1 resident of this state. A person meets the residency
2 requirement of this subsection, notwithstanding the existence
3 at the time of application for license of a license in the
4 applicant's name on the records of another state as a resident
5 licensee of such other state, if the applicant furnishes a
6 letter of clearance satisfactory to the department that the
7 resident licenses have been canceled or changed to a
8 nonresident basis and that the applicant is in good standing.

9 Section 49. Paragraph (a) of subsection (3) of section
10 626.8417, Florida Statutes, is amended to read:

11 626.8417 Title insurance agent licensure;
12 exemptions.--

13 (3) The department shall not grant or issue a license
14 as title agent to any individual found by it to be
15 untrustworthy or incompetent, who does not meet the
16 qualifications for examination specified in s. 626.8414, or
17 who does not meet the following qualifications:

18 (a) Within the 4 years immediately preceding the date
19 of the application for license, the applicant must have
20 completed a 40-hour classroom course in title insurance, 3
21 hours of which shall be on the subject matter of ethics, as
22 approved by the department, or must have had at least 12
23 months of experience in responsible title insurance duties,
24 while working in the title insurance business as a
25 substantially full-time, bona fide employee of a title agency,
26 title agent, title insurer, or attorney who conducts real
27 estate closing transactions and issues title insurance
28 policies but who is exempt from licensure pursuant to
29 paragraph (4)(a). If an applicant's qualifications are based
30 upon the periods of employment at responsible title insurance
31 duties, the applicant must submit, with the application for

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1 license on a form prescribed by the department, the affidavit
2 of the applicant and of the employer setting forth the period
3 of such employment, that the employment was substantially full
4 time, and giving a brief abstract of the nature of the duties
5 performed by the applicant.

6 Section 50. Section 626.843, Florida Statutes, is
7 amended to read:

8 626.843 Renewal, continuation, reinstatement,
9 termination of title insurance agent's appointment.--

10 (1) The appointment of a title insurance agent shall
11 continue in force until suspended, revoked, or otherwise
12 terminated, but subject to a renewed request filed by the
13 insurer every 24 months after the original issue date of the
14 appointment, accompanied by payment of the renewal appointment
15 fee and taxes as prescribed in s. 624.501.

16 (2) Title insurance agent appointments shall be
17 renewed pursuant to s. 626.381 for insurance representatives
18 in general. Each insurer shall file with the department the
19 lists, statements, and information as to appointments which
20 are being renewed or being terminated, accompanied by payment
21 of the applicable renewal fees and taxes as prescribed in s.
22 624.501, by a date set forth by the department following the
23 month during which the appointments will expire.

24 ~~(3) Request for renewal of an appointment which is~~
25 ~~received on a date set forth by the department in the~~
26 ~~succeeding month may be renewed by the department without~~
27 ~~penalty, and shall be effective as of the day the appointment~~
28 ~~would have expired.~~

29 ~~(4) Request for renewal of an appointment which is~~
30 ~~received by the department after the date set by the~~
31 ~~department may be accepted and effectuated by the department~~

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1 ~~in its discretion if an additional appointment continuation~~
2 ~~and reinstatement fee accompany the request for renewal~~
3 ~~pursuant to s. 624.501.~~

4 ~~(3)(5)~~ The appointment issued shall remain in effect
5 for so long as the appointment represented thereby continues
6 in force as provided in this section.

7 Section 51. Paragraph (b) of subsection (1) of section
8 626.865, Florida Statutes, is amended to read:

9 626.865 Public adjuster's qualifications, bond.--

10 (1) The department shall issue a license to an
11 applicant for a public adjuster's license upon determining
12 that the applicant has paid the applicable fees specified in
13 s. 624.501 and possesses the following qualifications:

14 (b) Is a United States citizen or legal alien who
15 possesses work authorization from the United States
16 Immigration and Naturalization Service and a bona fide
17 resident of this state.

18 Section 52. Subsection (2) of section 626.866, Florida
19 Statutes, is amended to read:

20 626.866 Independent adjuster's qualifications.--The
21 department shall issue a license to an applicant for an
22 independent adjuster's license upon determining that the
23 applicable license fee specified in s. 624.501 has been paid
24 and that the applicant possesses the following qualifications:

25 (2) Is a United States citizen or legal alien who
26 possesses work authorization from the United States
27 Immigration and Naturalization Service and a bona fide
28 resident of this state.

29 Section 53. Subsection (2) of section 626.867, Florida
30 Statutes, is amended to read:

31 626.867 Company employee adjuster's

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1 qualifications.--The department shall issue a license to an
 2 applicant for a company employee adjuster's license upon
 3 determining that the applicable license fee specified in s.
 4 624.501 has been paid and that the applicant possesses the
 5 following qualifications:

6 (2) Is a United States citizen or legal alien who
 7 possesses work authorization from the United States
 8 Immigration and Naturalization Service and a bona fide
 9 resident of this state.

10 Section 54. Section 626.869, Florida Statutes, is
 11 amended to read:

12 626.869 License, adjusters.--

13 (1) An applicant for a license as an adjuster may
 14 qualify and his or her license when issued may cover adjusting
 15 in any one of the following classes of insurance:

- 16 (a) All lines of insurance except life and annuities.
- 17 (b) Motor vehicle physical damage insurance.
- 18 (c) Property and casualty insurance.
- 19 (d) Workers' compensation insurance.
- 20 (e) Health insurance.

21 (2) All individuals who on October 1, 1990, hold an
 22 adjuster's license and appointment limited to fire and allied
 23 lines, including marine or casualty or boiler and machinery,
 24 may remain licensed and appointed under the limited license
 25 and may renew their appointment, but no license or appointment
 26 which has been terminated, not renewed, suspended, or revoked
 27 shall be reinstated, and no new or additional licenses or
 28 appointments shall be issued.

29 ~~(3) With the exception of a public adjuster limited to~~
 30 ~~health insurance, a limited license set forth in subsection~~

31 ~~(1) as an independent or public adjuster may only be issued to~~

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1 ~~and retained by an employee of an independent or public~~
 2 ~~adjusting firm which is supervised by a duly appointed~~
 3 ~~all-lines adjuster or an employee of an independent or public~~
 4 ~~adjuster licensed and appointed in all lines of insurance~~
 5 ~~other than life and annuity. The office of the limited lines~~
 6 ~~adjuster shall be in the office of the licensed all-lines~~
 7 ~~adjuster responsible for his or her supervision and~~
 8 ~~instruction.~~

9 ~~(3)(4)~~ The applicant's application for license shall
 10 specify which of the foregoing classes of business the
 11 application for license is to cover.

12 ~~(4)(5)~~ Any individual ~~person~~ holding a license for 24
 13 consecutive months or longer ~~and who engages in adjusting~~
 14 ~~workers' compensation insurance~~ must, beginning in his or her
 15 ~~their~~ birth month and every 2 years thereafter, have completed
 16 24 hours of courses, 2 hours of which relate to ethics, in
 17 subjects designed to inform the licensee regarding the current
 18 insurance ~~workers' compensation~~ laws of this state, so as to
 19 enable him or her to engage in business as an ~~a~~ ~~workers'~~
 20 ~~compensation~~ insurance adjuster fairly and without injury to
 21 the public and to adjust all claims in accordance with the
 22 policy or contract and the ~~workers' compensation~~ laws of this
 23 state. ~~In order to qualify as an eligible course under this~~
 24 ~~subsection, the course must:~~

25 ~~(a) Have a course outline approved by the department.~~

26 ~~(b) Be taught at a school training facility or other~~
 27 ~~location approved by the department.~~

28 ~~(c) Be taught by instructors with at least 5 years of~~
 29 ~~experience in the area of workers' compensation, general lines~~
 30 ~~of insurance, or other persons approved by the department.~~

31 ~~However, a member of The Florida Bar is exempt from the 5~~

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1 ~~years' experience requirement.~~

2 ~~(d) Furnish the attendee a certificate of completion.~~

3 ~~The course provider shall send a roster to the department in a~~
4 ~~format prescribed by the department.~~

5 (5) The regulation of continuing education for
6 licensees, course providers, instructors, school officials,
7 and monitor groups shall be as provided for in s. 626.2816.

8 Section 55. Subsection (1) of section 626.874, Florida
9 Statutes, is amended to read:

10 626.874 Catastrophe or emergency adjusters.--

11 (1) In the event of a catastrophe or emergency, the
12 department may issue a license, for the purposes and under the
13 conditions which it shall fix and for the period of emergency
14 as it shall determine, to persons who are residents or
15 nonresidents of this state, who are at least 18 years of age,
16 who are United States citizens or legal aliens who possess
17 work authorization from the United States Immigration and
18 Naturalization Service, and who are not licensed adjusters
19 under this part but who have been designated and certified to
20 it as qualified to act as adjusters by independent resident
21 adjusters or by an authorized insurer or by a licensed general
22 lines agent to adjust claims, losses, or damages under
23 policies or contracts of insurance issued by such insurers.
24 The fee for the license shall be as provided in s.
25 624.501(12)(c).

26 Section 56. Section 626.878, Florida Statutes, is
27 amended to read:

28 626.878 Rules; code of ethics.--An adjuster shall
29 subscribe to the code of ethics specified in the rules of the
30 department. The rules shall implement the provisions of this
31 part and specify the terms and conditions of contracts,

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1 including a right to cancel, and require practices necessary
2 to ensure fair dealing, prohibit conflicts of interest, and
3 ensure preservation of the rights of the claimant to
4 participate in the adjustment of claims.

5 Section 57. Subsection (1) of section 626.797, Florida
6 Statutes, is amended to read:

7 626.797 Code of ethics.--

8 (1) The department shall, after consultation with the
9 Florida Association Of Insurance and Financial Advisors ~~life~~
10 ~~Underwriters~~, adopt a code of ethics, or continue any such
11 code heretofore so adopted, to govern the conduct of life
12 agents in their relations with the public, other agents, and
13 the insurers.

14 Section 58. Paragraph (z) of subsection (1) of section
15 626.9541, Florida Statutes, is amended to read:

16 626.9541 Unfair methods of competition and unfair or
17 deceptive acts or practices defined.--

18 (1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR
19 DECEPTIVE ACTS.--The following are defined as unfair methods
20 of competition and unfair or deceptive acts or practices:

21 (z) Sliding.--Sliding is the act or practice of:

22 1. Representing to the applicant that a specific
23 ancillary coverage or product is required by law in
24 conjunction with the purchase of ~~motor vehicle~~ insurance when
25 such coverage or product is not required;

26 2. Representing to the applicant that a specific
27 ancillary coverage or product is included in the ~~motor vehicle~~
28 policy applied for without an additional charge when such
29 charge is required; or

30 3. Charging an applicant for a specific ancillary
31 coverage or product, in addition to the cost of the ~~motor~~

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1 ~~vehicle~~ insurance coverage applied for, without the informed
2 consent of the applicant.

3 Section 59. Paragraph (f) is added to subsection (7)
4 of section 626.9916, Florida Statutes, to read:

5 626.9916 Viatical settlement broker license required;
6 application for license.--

7 (7) Upon the filing of a sworn application and the
8 payment of the license fee and all other applicable fees under
9 this act, the department shall investigate each applicant and
10 may issue the applicant a license if the department finds that
11 the applicant:

12 (f) If a natural person, is at least 18 years of age
13 and a United States citizen or legal alien who possesses work
14 authorization from the United States Immigration and
15 Naturalization Service.

16 Section 60. Paragraph (a) of subsection (5) of section
17 627.7295, Florida Statutes, is amended to read:

18 627.7295 Motor vehicle insurance contracts.--

19 (5)(a) A licensed general lines agent may charge a
20 per-policy fee not to exceed ~~\$20~~^{\$10} to cover the
21 administrative costs of the agent associated with selling the
22 motor vehicle insurance policy ~~if the policy covers only~~
23 ~~personal injury protection coverage as provided by s. 627.736~~
24 ~~and property damage liability coverage as provided by s.~~
25 ~~627.7275 and if no other insurance is sold or issued in~~
26 ~~conjunction with or collateral to the policy. The per-policy~~
27 fee shall be paid only to the agent and may not be paid by or
28 passed on to the insurer. The per-policy fee must be a
29 component of the insurer's rate filing and may not be charged
30 by an agent unless the fee is included in the filing. The fee
31 is not considered part of the premium except for purposes of

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1 the department' s review of expense factors in a filing made
2 pursuant to s. 627.062.

3 Section 61. Subsection (3) of section 632.634, Florida
4 Statutes, is amended to read:

5 632.634 Licensing and appointment of agents.--

6 (3) Any agent, representative, or member of a society
7 who in any preceding calendar year has solicited and procured
8 life insurance benefit contracts on behalf of any society in a
9 total amount of insurance less than \$50,000, or, in the case
10 of any other kind or kinds of insurance benefit contracts
11 which the society might write, on not more than 25
12 individuals, shall be exempt from the agent licensing and
13 appointment requirements of subsection (1). Upon request by
14 the department, every society shall register, on forms
15 prescribed by the department and on or before March 1 of each
16 year, the name and residence address of each agent,
17 representative, or member exempt under the provisions of this
18 subsection and shall, within 30 days of termination of
19 employment, notify the department of the termination. Any
20 agent, representative, or member for which an exemption is
21 claimed due to employment by the society subsequent to March 1
22 shall be registered by the society with the department within
23 10 days of the date of employment.

24 Section 62. Section 634.171, Florida Statutes, is
25 amended to read:

26 634.171 Salesperson to be licensed and
27 appointed.--Salespersons for motor vehicle service agreement
28 companies and insurers shall be licensed, appointed, renewed,
29 continued, reinstated, or terminated as prescribed in chapter
30 626 for insurance representatives in general. However, they
31 shall be exempt from all other provisions of chapter 626

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1 including fingerprinting, photo identification, education, and
2 examination provisions. License, appointment, and other fees
3 shall be those prescribed in s. 624.501. A licensed and
4 appointed salesperson shall be directly responsible and
5 accountable for all acts of her or his employees and other
6 representatives. Each service agreement company or insurer
7 shall, on forms prescribed by the department, within 30 days
8 after termination of the appointment, notify the department of
9 such termination. No employee or salesperson of a motor
10 vehicle service agreement company or insurer may directly or
11 indirectly solicit or negotiate insurance contracts, or hold
12 herself or himself out in any manner to be an insurance agent
13 ~~or solicitor~~, unless so qualified, licensed, and appointed
14 therefor under the Florida Insurance Code. A motor vehicle
15 service agreement company is not required to be licensed as a
16 salesperson to solicit, sell, issue, or otherwise transact the
17 motor vehicle service agreements issued by the motor vehicle
18 service agreement company.

19 Section 63. Section 634.420, Florida Statutes, is
20 amended to read:

21 634.420 License and appointment of sales
22 representatives.--Sales representatives for service warranty
23 associations or insurers shall be licensed, appointed,
24 renewed, continued, reinstated, or terminated in accordance
25 with procedures as prescribed in chapter 626 for insurance
26 representatives in general. However, they shall be exempt from
27 all other provisions of chapter 626, including fingerprinting,
28 photo identification, education, and examination. License,
29 appointment, and other fees shall be those prescribed in s.
30 624.501. A licensed and appointed sales representative shall
31 be directly responsible and accountable for all acts of the

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1 licensed sales representative's employees or other
2 representatives. Each service warranty association or insurer
3 shall, on forms prescribed by the department, within 30 days
4 after termination of the appointment, notify the department of
5 such termination. No employee or sales representative of a
6 service warranty association or insurer may directly or
7 indirectly solicit or negotiate insurance contracts, or hold
8 herself or himself out in any manner to be an insurance agent
9 ~~or solicitor~~, unless so qualified, licensed, and appointed
10 therefor under the insurance code.

11 Section 64. Section 642.034, Florida Statutes, is
12 amended to read:

13 642.034 License and appointment required.--No person
14 may solicit, negotiate, sell, or execute legal expense
15 insurance contracts on behalf of an insurer in this state
16 unless such person is licensed and appointed as a sales
17 representative or is licensed and appointed under the
18 insurance code as a general lines agent ~~or solicitor~~. No
19 person licensed and appointed as a legal expense insurance
20 sales representative may solicit, negotiate, sell, or execute
21 any other contract of insurance unless such person is duly
22 licensed and appointed to do so under the provisions of
23 chapter 626.

24 Section 65. Section 642.036, Florida Statutes, is
25 amended to read:

26 642.036 Sales representatives to be licensed and
27 appointed.--Sales representatives of legal expense insurers
28 shall be licensed, appointed, renewed, continued, reinstated,
29 or terminated as prescribed in chapter 626 for insurance
30 representatives in general, and shall pay the license and
31 appointment fees prescribed in s. 624.501. No employee or

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1 sales representative of an insurer may directly or indirectly
 2 solicit or negotiate insurance contracts, or hold herself or
 3 himself out in any manner to be an insurance agent ~~or~~
 4 ~~solicitor~~ , unless so qualified, licensed, and appointed
 5 therefor under the insurance code.

6 Section 66. Section 642.045, Florida Statutes, is
 7 amended to read:

8 642.045 Procedure for refusal, suspension, or
 9 revocation of license and appointment of sales representative;
 10 departmental action upon violation by licensed insurance agent
 11 ~~or solicitor~~.--

12 (1) If any sales representative is convicted by a
 13 court of a violation of any provision of ss. 642.011-642.049,
 14 the license and appointment of such individual shall thereby
 15 be deemed to be immediately revoked without any further
 16 procedure relative thereto by the department.

17 (2) Whenever it appears that any licensed insurance
 18 agent ~~or solicitor~~ has violated the provisions of ss.
 19 642.011-642.049, or if any grounds listed in s. 642.041 or s.
 20 642.043 exist as to such agent ~~or solicitor~~, the department
 21 may take such action as is authorized by the insurance code
 22 for a violation of the insurance code by such agent ~~or~~
 23 ~~solicitor~~, or such action as is authorized by this chapter for
 24 a violation of this chapter by a sales representative.

25 Section 67. Paragraph (b) of subsection (5) and
 26 subsection (9) of section 648.27, Florida Statutes, are
 27 amended to read:

28 648.27 Licenses and appointments; general.--

29 (5)

30 (b) The license of a temporary bail bond agent ~~or~~
 31 ~~runner~~ shall continue in force until suspended, revoked, or

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1 otherwise terminated.

2 (9) If, upon application for an appointment and such
3 investigation as the department may make, it appears to the
4 department that an individual has been actively engaged or is
5 currently actively engaged in bail bond activities without
6 being appointed as required, the department may, if it finds
7 that such failure to be appointed is an error on the part of
8 the insurer or employer so represented, issue or authorize the
9 issuance of the appointment as applied for, but subject to the
10 condition that, before the appointment is issued, all fees and
11 taxes which would have been due had the applicant been so
12 appointed during such current and prior periods, together with
13 a continuation fee for such current and prior terms of
14 appointment, shall be paid to the department. Failure to
15 notify the department within the required time period shall
16 result in the appointing entity being assessed a delinquent
17 fee of \$250. Delinquent fees shall be paid by the appointing
18 entity and shall not be charged to the appointee.

19 Section 68. Paragraph (b) of subsection (2) and
20 subsections (5) and (6) of section 648.34, Florida Statutes,
21 are amended to read:

22 648.34 Bail bond agents; qualifications.--

23 (2) To qualify as a bail bond agent, it must
24 affirmatively appear at the time of application and throughout
25 the period of licensure that the applicant has complied with
26 the provisions of s. 648.355 and has obtained a temporary
27 license pursuant to such section and:

28 (b) The applicant is a United States citizen or legal
29 alien who possesses work authorization from the United States
30 Immigration and Naturalization Service and is a resident of
31 this state. An individual who is a resident of this state

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1 shall be deemed to meet the residence requirement of this
 2 paragraph, notwithstanding the existence, at the time of
 3 application for license, of a license in the applicant's name
 4 on the records of another state as a resident licensee of such
 5 other state, if the applicant furnishes a letter of clearance
 6 satisfactory to the department that his or her resident
 7 licenses have been canceled or changed to a nonresident basis
 8 and that he or she is in good standing.

9 (5) The department shall conduct a comprehensive
 10 investigation of each applicant, including a background check.
 11 The investigation of the applicant's qualifications,
 12 character, experience, background, and fitness shall include
 13 submission of the applicant's fingerprints to the Department
 14 of Law Enforcement and the Federal Bureau of Investigation and
 15 consideration of any state criminal records, federal criminal
 16 records, or local criminal records obtained from these
 17 agencies or from local law enforcement agencies.

18 (6) The provisions of s. 112.011 do not apply to bail
 19 bond agents ~~or runners~~ or to applicants for licensure as bail
 20 bond agents ~~or runners~~.

21 Section 69. Paragraphs (b) and (e) of subsection (1)
 22 of section 648.355, Florida Statutes, are amended to read:

23 648.355 Temporary limited license as limited surety
 24 agent or professional bail bond agent; pending examination.--

25 (1) The department may, in its discretion, issue a
 26 temporary license as a limited surety agent or professional
 27 bail bond agent, subject to the following conditions:

28 (b) The applicant is a United States citizen or legal
 29 alien who possesses work authorization from the United States
 30 Immigration and Naturalization Service and is a resident of
 31 this state. An individual who is a resident of this state

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1 shall be deemed to meet the residence requirement of this
2 paragraph, notwithstanding the existence, at the time of
3 application for temporary license, of a license in the
4 individual's name on the records of another state as a
5 resident licensee of such other state, if the applicant
6 furnishes a letter of clearance satisfactory to the department
7 that the individual's resident licenses have been canceled or
8 changed to a nonresident basis and that the individual is in
9 good standing.

10 (e) The applicant must be employed full-time at the
11 time of licensure, and at all times throughout the existence
12 of the temporary license, by only one licensed and appointed
13 supervising bail bond agent, who supervises the work of the
14 applicant and is responsible for the licensee's conduct in the
15 bail bond business. The applicant must be appointed by the
16 same insurers as the supervising bail bond agent. The
17 supervising bail bond agent shall certify monthly to the
18 department under oath, on a form prescribed by the department,
19 the names and hours worked each week of all temporary bail
20 bond agents. Filing a false certification is grounds for the
21 immediate suspension of the license and imposition of a \$5,000
22 administrative fine. The department may adopt rules that
23 establish standards for the employment requirements.

24 Section 70. Paragraph (a) of subsection (2) and
25 subsection (3) of section 648.382, Florida Statutes, are
26 amended, and subsection (6) is added to that section, to read:

27 648.382 Appointment of bail bond agents and temporary
28 bail bond agents; effective date of appointment.--

29 (2) Prior to any appointment, an appropriate officer
30 or official of the appointing insurer in the case of a bail
31 bond agent or an insurer, managing general agent, or bail bond

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1 agent in the case of a temporary bail bond agent must submit:

2 (a) A certified statement or affidavit to the
3 department stating what investigation has been made concerning
4 the proposed appointee and the proposed appointee's background
5 and the appointing person's opinion to the best of his or her
6 knowledge and belief as to the moral character, ~~fitness~~, and
7 reputation of the proposed appointee. In lieu of such
8 certified statement or affidavit, by authorizing the
9 effectuation of an appointment for a licensee, the appointing
10 entity certifies to the department that such investigation has
11 been made and that the results of the investigation and the
12 appointing person's opinion is that the proposed appointee is
13 a person of good moral character and reputation and is fit to
14 engage in the bail bond business;

15 (3) By authorizing the effectuation of an appointment
16 for a licensee, the appointing insurer certifies to the
17 department ~~Prior to any appointment of a bail bond agent, the~~
18 ~~appointing insurer must certify to the department that the~~
19 ~~insurer will be bound by the acts of the bail bond agent~~
20 ~~acting within the scope of his or her appointment, and, in the~~
21 ~~case of a temporary bail bond agent, the appointing insurer,~~
22 ~~managing general agent, or bail bond agent, as the case may~~
23 ~~be, must certify to the department that he or she will~~
24 ~~supervise the temporary bail bond agent's activities.~~

25 (6) Failure to notify the department within the
26 required time period shall result in the appointing entity
27 being assessed a delinquent fee of \$250. Delinquent fees shall
28 be paid by the appointing entity and shall not be charged to
29 the appointee.

30 Section 71. Section 648.383, Florida Statutes, is
31 amended to read:

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1 648.383 Renewal, continuation, reinstatement, and
2 termination of appointment; bail bond agents.--

3 (1) The appointment of a bail bond agent shall
4 continue in force unless suspended, revoked, or otherwise
5 terminated, subject to a renewal request filed by the
6 appointing entity in the appointee's birth month and every 24
7 months thereafter. A renewal request must be filed with the
8 department or person designated by the department to
9 administer appointments along with payment of the renewal
10 appointment fee and taxes as prescribed in s. 624.501.

11 (2) Each appointing person or person designated by the
12 department to administer appointments must file ~~with the~~
13 ~~department~~ the lists, statement, and information as to each
14 bail bond agent whose appointment is being renewed,
15 accompanied by payment of the applicable renewal fees and
16 taxes as prescribed in s. 624.501, ~~by a date established by~~
17 ~~the department following the month during which the~~
18 ~~appointment will expire.~~

19 (3) An appointment may be renewed ~~by the department~~
20 without penalty if the information required under subsection
21 (2) is received ~~by the department on or~~ prior to the
22 expiration of the appointment in the licensee's birth month
23 ~~date established by the department for renewal~~, and such
24 appointment shall be renewed, is effective on the first day of
25 the month succeeding the month in which the appointment was
26 scheduled to expire.

27 (4) If the information required under subsection (2)
28 is received ~~by the department~~ after the renewal date
29 ~~established by the department for renewal~~, the appointment may
30 be renewed ~~by the department~~ if the an additional appointment,
31 late filing, continuation, and reinstatement fees accompany

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1 ~~fee accompanies~~ the application as required under s. 624.501.

2 Section 72. Subsections (1) and (3) of section 648.50,
3 Florida Statutes, are amended to read:

4 648.50 Effect of suspension, revocation upon
5 associated licenses and licensees.--

6 (1) Upon the suspension, revocation, or refusal to
7 renew or continue any license or appointment or the
8 eligibility to hold a license or appointment of a bail bond
9 agent or, temporary bail bond agent, ~~or runner~~, the department
10 shall at the same time likewise suspend or revoke all other
11 licenses or appointments and the eligibility to hold any other
12 such licenses or appointments which may be held by the
13 licensee under the Florida Insurance Code.

14 (3) No person whose license as a bail bond agent or
15 temporary bail bond agent, ~~or runner~~ has been revoked or
16 suspended shall be employed by any bail bond agent, have any
17 ownership interest in any business involving bail bonds, or
18 have any financial interest of any type in any bail bond
19 business during the period of revocation or suspension.

20 Section 73. Sections 626.032 and 626.361, Florida
21 Statutes, are repealed.

22 Section 74. Paragraph (d) of subsection (6) of
23 section 627.351, Florida Statutes, is amended to read:

24 627.351 Insurance risk apportionment plans.--

25 (6) CITIZENS PROPERTY INSURANCE CORPORATION.--

26 (d)1. It is the intent of the Legislature that the
27 rates for coverage provided by the corporation be actuarially
28 sound and not competitive with approved rates charged in the
29 admitted voluntary market, so that the corporation functions
30 as a residual market mechanism to provide insurance only when
31 the insurance cannot be procured in the voluntary market.

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1 Rates shall include an appropriate catastrophe loading factor
2 that reflects the actual catastrophic exposure of the
3 corporation.

4 2. For each county, the average rates of the
5 corporation for each line of business for personal lines
6 residential policies excluding rates for wind-only policies
7 shall be no lower than the average rates charged by the
8 insurer that had the highest average rate in that county among
9 the 20 insurers with the greatest total direct written premium
10 in the state for that line of business in the preceding year,
11 except that with respect to mobile home coverages, the average
12 rates of the corporation shall be no lower than the average
13 rates charged by the insurer that had the highest average rate
14 in that county among the 5 insurers with the greatest total
15 written premium for mobile home owner's policies in the state
16 in the preceding year.

17 3. Rates for personal lines residential wind-only
18 policies must be actuarially sound and not competitive with
19 approved rates charged by authorized insurers. However, for
20 personal lines residential wind-only policies issued or
21 renewed between July 1, 2002, and June 30, 2003, the maximum
22 premium increase must be no greater than 10 percent of the
23 Florida Windstorm Underwriting Association premium for that
24 policy in effect on June 30, 2002, as adjusted for coverage
25 changes and seasonal occupancy surcharges. For personal lines
26 residential wind-only policies issued or renewed between July
27 1, 2003, and June 30, 2004, the corporation shall use its
28 existing filed and approved wind-only rating and
29 classification plans, provided, however, that the maximum
30 premium increase must be no greater than 20 percent of the
31 premium for that policy in effect on June 30, 2003, as

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1 adjusted for coverage changes and seasonal occupancy
2 surcharges. add>
3 ~~The personal lines residential wind-only rates for the~~
4 ~~corporation effective July 1, 2003, must be based on a rate~~
5 ~~filing by the corporation which establishes rates which are~~
6 ~~actuarially sound and not competitive with approved rates~~
7 ~~charged by authorized insurers. Corporation rate manuals shall~~
8 ~~include a rate surcharge for seasonal occupancy. To ensure~~
9 ~~that personal lines residential wind-only rates effective on~~
10 ~~or after July 1, 2004 2003, are not competitive with approved~~
11 ~~rates charged by authorized insurers, the corporation, in~~
12 ~~conjunction with the office, shall develop a wind-only rate~~
13 ~~making methodology, which methodology shall be contained in a~~
14 ~~rate filing made by the corporation with the office by January~~
15 ~~1, 2004. If the office thereafter determines that the~~
16 ~~wind-only rates or rating factors filed by the corporation~~
17 ~~fail to comply with the wind-only rate making methodology~~
18 ~~provided for in this subsection, it shall so notify the~~
19 ~~corporation and require the corporation to amend its rates or~~
20 ~~rating factors to come into compliance within 90 days of~~
21 ~~notice from the office. The office shall report to the Speaker~~
22 ~~of the House of Representatives and the President of the~~
23 ~~Senate on the provisions of the wind-only rate making~~
24 ~~methodology by January 31, 2004 the department, by March 1 of~~
25 ~~each year, shall provide the corporation, for each county in~~
26 ~~which there are geographical areas in which personal lines~~
27 ~~residential wind-only policies may be issued, the average~~
28 ~~rates charged by the insurer that had the highest average rate~~
29 ~~in that county for wind coverage in that insurer's rating~~
30 ~~territories which most closely approximate the geographical~~
31 ~~area in that county in which personal lines residential~~

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1 ~~wind-only policies may be written by the corporation. The~~
2 ~~average rates provided must be from an insurer among the 20~~
3 ~~insurers with the greatest total direct written premium in the~~
4 ~~state for personal lines residential property insurance for~~
5 ~~the preceding year. With respect to mobile homes, the five~~
6 ~~insurers with the greatest total written premium for that line~~
7 ~~of business in the preceding year shall be used. The~~
8 ~~corporation shall certify to the department that its average~~
9 ~~personal lines residential wind-only rates are no lower in~~
10 ~~each county than the average rates provided by the department.~~
11 ~~The department is authorized to adopt rules to establish~~
12 ~~reporting requirements to obtain the necessary wind-only rate~~
13 ~~information from insurers to implement this provision.~~

14 4. Rates for commercial lines coverage shall not be
15 subject to the requirements of subparagraph 2., but shall be
16 subject to all other requirements of this paragraph and s.
17 627.062.

18 5. Nothing in this paragraph shall require or allow
19 the corporation to adopt a rate that is inadequate under s.
20 627.062.

21 6. The corporation shall certify to the office at
22 least twice annually that its personal lines rates comply with
23 the requirements of subparagraphs 1. and 2. If any adjustment
24 in the rates or rating factors of the corporation is necessary
25 to ensure such compliance, the corporation shall make and
26 implement such adjustments and file its revised rates and
27 rating factors with the office. If the office thereafter
28 determines that the revised rates and rating factors fail to
29 comply with the provisions of subparagraphs 1. and 2, it shall
30 notify the corporation and require the corporation to amend
31 its rates or rating factors in conjunction with its next rate

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1 filing. The office must notify the corporation by electronic
2 means of any rate filing it approves for any insurer among the
3 insurers referred to in subparagraph 2 make a rate filing at
4 least once a year, but no more often than quarterly.

5 7. In addition to the rates otherwise determined
6 pursuant to this paragraph, the corporation shall impose and
7 collect an amount equal to the premium tax provided for in s.
8 624.509 to augment the financial resources of the corporation.

9 8.a To assist the corporation in developing additional
10 ratemaking methods to assure compliance with subparagraphs 1.
11 and 4., the corporation shall appoint a rate methodology panel
12 consisting of one person recommended by the Florida
13 Association of Insurance Agents, one person recommended by the
14 Professional Insurance Agents of Florida, one person
15 recommended by the Florida Association of Insurance and
16 Financial Advisors, one person recommended by the insurer with
17 the highest voluntary market share of residential property
18 insurance business in the state, one person recommended by the
19 insurer with the second-highest voluntary market share of
20 residential property insurance business in the state, one
21 person recommended by an insurer writing commercial
22 residential property insurance in this state, one person
23 recommended by the Office of Insurance Regulation, and one
24 board member designated by the board chairman, who shall serve
25 as chairman of the panel.

26 b. By January 1, 2004, the rate methodology panel
27 shall provide a report to the corporation of its findings and
28 recommendations for the use of additional ratemaking methods
29 and procedures, including the use of a rate-equalization
30 surcharge in an amount sufficient to assure that the total
31 cost of coverage for policyholders or applicants to the

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1 corporation is sufficient to comply with subparagraph 1.

2 c. Within 30 days after such report, the corporation
 3 shall present to the President of the Senate, the Speaker of
 4 the House of Representatives, the minority party leaders of
 5 each house of the Legislature, and the chairs of the standing
 6 committees of each house of the Legislature having
 7 jurisdiction of insurance issues, a plan for implementing the
 8 additional ratemaking methods and an outline of any
 9 legislation needed to facilitate use of the new methods.

10 d. The plan must include a provision that producer
 11 commissions paid by the corporation shall not be calculated in
 12 such a manner as to include any rate-equalization surcharge.
 13 However, without regard to the plan to be developed or its
 14 implementation, producer commissions paid by the corporation
 15 for each account, other than the quota share primary program,
 16 shall remain fixed as to percentage, effective rate,
 17 calculation, and payment method, as these were in effect on
 18 January 1, 2003.

19 9. By January 1, 2004, the corporation shall develop a
 20 notice to policyholders or applicants that the rates of
 21 Citizens Property Insurance Corporation are intended to be
 22 higher than the rates of any admitted carrier and providing
 23 other information the corporation deems necessary to assist
 24 consumers in finding other voluntary admitted insurers willing
 25 to insure their property.

26 Section 75. Section 624.105, Florida Statutes, is
 27 created to read:

28 624.105 Waiver of customer liability.--Any regulated
 29 company as defined in s. 350.111, any electric utility as
 30 defined in s. 366.02(2), any utility as defined in s.
 31 367.021(12) or s.367.022(2) and (7), and any provider of

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1 communications services as defined in s. 202.11(3) may charge
2 for and include an optional waiver of liability provision in
3 their customer contracts under which the entity agrees to
4 waive all or a portion of the customer s liability for
5 service from the entity for a defined period in the event of
6 the customer s call to active military service, death,
7 disability, involuntary unemployment, qualification for family
8 leave, or similar qualifying event or condition. Such
9 provisions may not be effective in the customer s contract
10 with the entity unless affirmatively elected by the customer.
11 No such provision shall constitute insurance so long as the
12 provision is a contract between the entity and its customer.

13 Section 76. Section 717.1071, Florida Statutes, is
14 created to read:

15 717.1071 Lost owners of unclaimed demutualization,
16 rehabilitation, or related reorganization proceeds.--

17 (1) Property distributable in the course of a
18 demutualization, rehabilitation, or related reorganization of
19 an insurance company is deemed abandoned 2 years after the
20 date the property is first distributable if, at the time of
21 the first distribution, the last known address of the owner on
22 the books and records of the holder is known to be incorrect
23 or the distribution or statements are returned by the post
24 office as undeliverable; and the owner has not communicated in
25 writing with the holder or its agent regarding the interest or
26 otherwise communicated with the holder regarding the interest
27 as evidenced by a memorandum or other record on file with the
28 holder or its agent.

29 (2) Property distributable in the course of
30 demutualization, rehabilitation, or related reorganization of
31 a mutual insurance company that is not subject to subsection

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1 (1) shall be reportable as otherwise provided by this chapter.

2 (3) Property subject to this section shall be reported
3 and delivered no later than May 1 as of the preceding December
4 31, however the initial report under this section shall be
5 filed no later than November 1, 2003, as of December 31, 2002.

6 Section 77. Subsection (8) of section 624.430, Florida
7 Statutes, is renumbered as subsection (9), and new subsection
8 (8) is added to said section, to read:

9 624.430 Withdrawal of insurer or discontinuance of
10 writing certain kinds or lines of insurance.--

11 (8) Notwithstanding subsection (7), any insurer
12 desiring to surrender its certificate of authority, withdraw
13 from this state, or discontinue the writing of any one or
14 multiple kinds or lines of insurance in this state is expected
15 to have availed itself of all reasonably available
16 reinsurance. Reasonably available reinsurance shall include
17 unrealized reinsurance, which is defined as reinsurance
18 recoverable on known losses incurred and due under valid
19 reinsurance contracts that have not been identified in the
20 normal course of business and have not been reported in
21 financial statements filed with the Office of Insurer
22 Regulation. Within 90 days after surrendering its certificate
23 of authority, withdrawing from this state, or discontinuing
24 the writing of any one or multiple kinds or lines of insurance
25 in this state, the insurer shall certify to the Director of
26 the Office of Insurer Regulation that the insurer has engaged
27 an independent third party to search for unrealized
28 reinsurance, and that the insurer has made all relevant books
29 and records available to such third party. The compensation to
30 such third party may be a percentage of unrealized reinsurance
31 identified and collected.

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1 Section 78. Subsection (11) of section 626.7451,
2 Florida Statutes, is amended to read:

3 626.7451 Managing general agents; required contract
4 provisions.--No person acting in the capacity of a managing
5 general agent shall place business with an insurer unless
6 there is in force a written contract between the parties which
7 sets forth the responsibility for a particular function,
8 specifies the division of responsibilities, and contains the
9 following minimum provisions:

10 (11) A licensed managing general agent, when placing
11 business with an insurer under this code, may charge a
12 per-policy fee not to exceed~~\$40~~\$25. In no instance shall the
13 aggregate of per-policy fees for a placement of business
14 authorized under this section, when combined with any other
15 per-policy fee charged by the insurer, result in per-policy
16 fees which exceed the aggregate amount of~~\$40~~\$25. The
17 per-policy fee shall be a component of the insurer's rate
18 filing and shall be fully earned. A managing general agent
19 that collects a per-policy fee shall remit a minimum of \$5 per
20 policy to the insurer for the funding of a Special
21 Investigations Unit dedicated to the prevention of motor
22 vehicle insurance fraud, \$2 per policy to the Division of
23 Insurance Fraud of the Department of Financial Services which
24 shall be dedicated to the prevention and detection of motor
25 vehicle insurance fraud, and \$3 per policy to the Office of
26 Statewide Prosecution which shall be dedicated to the
27 prosecution of motor vehicle insurance fraud. Any insurer that
28 writes directly without a managing general agent and that
29 charges a per-policy fee may charge an additional \$5 per
30 policy to fund its Special Investigations Unit, which shall be
31 dedicated to the prevention of motor vehicle insurance fraud,

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1 \$2 per policy to the Division of Insurance Fraud of the
 2 Department of Financial Services, which shall be dedicated to
 3 the prevention and detection of motor vehicle insurance fraud,
 4 and \$3 per policy to the Office of Statewide Prosecution which
 5 shall be dedicated to the prosecution of motor vehicle
 6 insurance fraud.

7 For the purposes of this section and ss. 626.7453 and
 8 626.7454, the term "controlling person" or "controlling" has
 9 the meaning set forth in s. 625.012(5)(b)1., and the term
 10 "controlled person" or "controlled" has the meaning set forth
 11 in s. 625.012(5)(b)2.

12 Section 79. Section 624.4623, Florida Statutes, is
 13 created to read:

14 624.4623 Independent Educational Institution
 15 Self-Insurance Funds--

16 (1) Notwithstanding any other provision of law, any
 17 two or more independent nonprofit colleges or universities
 18 accredited by the Commission on Colleges of the Southern
 19 Association of Colleges and Schools or independent, nonprofit,
 20 accredited secondary educational institutions, located in and
 21 chartered by the state of Florida, may form a self-insurance
 22 fund for the purpose of pooling and spreading liabilities of
 23 its group members in any property or casualty risk or surety
 24 insurance or securing the payment of benefits under chapter
 25 440, provided the independent educational institution
 26 self-insurance fund that is created must:

27 (a) Have annual normal premiums in excess of \$5
 28 million;

29 (b) Maintain a continuing program of excess insurance
 30 coverage and reserve evaluation to protect the financial
 31 stability of the fund in an amount and manner determined by a

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1 qualified and independent actuary;

2 (c) Submit annually an audited fiscal year-end
3 financial statement by an independent certified public
4 accountant within 6 months after the end of the fiscal year to
5 the office; and

6 (d) Have a governing body which is comprised entirely
7 of independent educational institution officials.

8 (2) An independent educational institution
9 self-insurance fund that meets the requirements of this
10 section is not subject to s. 624.4621 and is not required to
11 file any report with the department under s. 440.38(2)(b)
12 which is uniquely required of group self-insurer funds
13 qualified under s. 624.4621. If any of the requirements of
14 this section are not met, the independent educational
15 self-insurance fund is subject to the requirements of s.
16 624.4621.

17 Section 80. Present subsections (6), (7), (8), (9),
18 and (10) are renumbered (7), (8), (9), (10), and (11),
19 respectively, and new subsection (6) is added to section
20 624.81, Florida Statutes, to read:

21 624.81 Notice to comply with written requirements of
22 department; noncompliance.--

23 (6) Any insurer subject to administrative supervision
24 is expected to avail itself of all reasonably available
25 reinsurance. Reasonably available reinsurance shall include
26 unrealized reinsurance, which is defined as reinsurance
27 recoverable on known losses incurred and due under valid
28 reinsurance contracts that have not been identified in the
29 normal course of business and have not been reported in
30 financial statements filed with the Office of Insurance
31 Regulation. Within 90 days of being placed under

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1 administrative supervision, the insurer shall certify to the
2 Director of the Office of Insurance Regulation that the
3 insurer has engaged an independent third party to search for
4 unrealized reinsurance, and that the insurer has made all
5 relevant books and records available to the third party. The
6 compensation to the third party may be a percentage of
7 unrealized reinsurance identified and collected.

8 ~~(7)(6)~~ If the department and the insurer are unable to
9 agree on the provisions of the plan, the department may
10 require the insurer to take such corrective action as may be
11 reasonably necessary to remove the causes and conditions
12 giving rise to the need for administrative supervision.

13 ~~(8)(7)~~ The insurer shall have 60 days, or a longer
14 period of time as designated by the department but not to
15 exceed 120 days, after the date of the written agreement or
16 the receipt of the department's plan within which to comply
17 with the requirements of the department. At the conclusion of
18 the initial period of supervision, the department may extend
19 the supervision in increments of 60 days or longer, not to
20 exceed 120 days, if conditions justifying supervision exist.
21 Each extension of supervision shall provide the insurer with a
22 point of entry pursuant to chapter 120.

23 ~~(9)(8)~~ The initiation or pendency of administrative
24 proceedings arising from actions taken under this section
25 shall not preclude the department from initiating judicial
26 proceedings to place an insurer in conservation,
27 rehabilitation, or liquidation or initiating other delinquency
28 proceedings however designated under the laws of this state.

29 ~~(10)(9)~~ If it is determined that the conditions giving
30 rise to administrative supervision have been remedied so that
31 the continuance of its business is no longer hazardous to the

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1 public or to its insureds, the department shall release the
2 insurer from supervision.

3 ~~(11)(10)~~ The department may adopt rules to define
4 standards of hazardous financial condition and corrective
5 action substantially similar to that indicated in the National
6 Association of Insurance Commissioners' 1997 "Model Regulation
7 to Define Standards and Commissioner's Authority for Companies
8 Deemed to be in Hazardous Financial Condition," which are
9 necessary to implement the provisions of this part.

10

11 (Redesignate subsequent sections.)

12

13

14 ===== T I T L E A M E N D M E N T =====

15 And the title is amended as follows:

16 On line 18, after the semicolon,

17

18 insert:

19 amending ss. 624.04, 624.303, 624.313, 624.317,

20 624.504, 624.506, 624.521, 626.022, 626.112,

21 626.733, 626.7354, 626.741, 626.753, 626.829,

22 634.171, 634.420, 642.034, 642.036, and

23 642.045, F.S.; deleting references to

24 solicitors to conform to prior deletions;

25 amending ss. 624.34, 626.202, and 626.601,

26 F.S.; revising certain fingerprinting

27 requirements; amending s. 624.501, F.S.;

28 providing for a fee for certain late

29 appointment filings; amending s. 626.015, F.S.;

30 deleting a definition of administrative agent;

31 amending s. 626.171, F.S.; revising applicant

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1 address requirements; specifying required
2 background investigation information; amending
3 ss. 626.175, 626.7355, 626.731, 626.831,
4 626.8414, 626.865, 626.866, 626.867, 626.874,
5 626.9916, 648.34, and 648.355, F.S.; revising
6 licensure eligibility criteria to specify
7 United States citizenship or certain legal
8 alien status; providing for the adoption of
9 rules; amending s. 626.201, F.S.; revising
10 certain fingerprint requirements; amending s.
11 626.221, F.S.; revising appointment application
12 filing time period requirements; amending s.
13 626.2815, F.S.; requiring certain continuing
14 education hour and subject requirements;
15 deleting references to solicitors to conform to
16 prior deletions; revising a continuing
17 education board member title; amending s.
18 626.2816, F.S.; revising a cross-reference;
19 clarifying a continuing education requirement;
20 amending s. 626.2817, F.S.; deleting a
21 prelicensure rule requirement; amending s.
22 626.311, F.S.; providing for the appointment of
23 certain licensees; amending s. 626.321, F.S.;
24 deleting references to solicitors to conform to
25 prior deletions; providing for one application
26 for a license and payment of applicable fees;
27 amending s. 626.322, F.S.; clarifying the
28 effect of insurer authorization of effectuation
29 of certain appointments; amending s. 626.341,
30 F.S.; including a department-designated person
31 to administer appointment processes for certain

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1 appointment-related actions; amending s.
2 626.371, F.S.; providing requirements for
3 submittal and effective date of appointments;
4 imposing a delinquent fee for certain
5 notification failures; providing fee payment
6 requirements; amending s. 626.381, F.S.;
7 including a department-designated person to
8 administer appointment processes for certain
9 appointment-related actions; providing for a
10 fee for certain late appointment filings;
11 amending s. 626.451, F.S.; including a
12 department-designated person to administer
13 appointment processes for certain
14 appointment-related actions; clarifying the
15 effect of insurer authorization of effectuation
16 of certain appointments; requiring licensee
17 notification of the department of certain
18 criminal proceedings; amending s. 626.461,
19 F.S.; including a department-designated person
20 to administer appointment processes for certain
21 appointment-related actions; deleting
22 references to solicitors to conform to prior
23 deletions; amending s. 626.471, F.S.; including
24 a department-designated person to administer
25 appointment processes for certain
26 appointment-related actions; providing for
27 termination of certain appointments; requiring
28 notice of termination; amending s. 626.843,
29 F.S.; revising procedures for renewing title
30 insurance agent appointments; amending s.
31 626.7315, F.S.; providing an exception to a

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1 prohibition against certain individuals
2 receiving money on account of or for an
3 insurer; amending ss. 626.732, 626.7851,
4 626.8311, and 626.8417, F.S.; revising certain
5 education subject requirements; amending s.
6 626.7351, F.S.; revising licensure eligibility
7 criteria to specify United States citizenship
8 or certain legal alien status; revising certain
9 education subject requirements; providing
10 additional education course requirements;
11 amending s. 626.785, F.S.; revising licensure
12 eligibility criteria to specify United States
13 citizenship or certain legal alien status;
14 increasing the amount of coverage for
15 burial-related expenses that may be sold by a
16 life insurance agent under contract with a
17 funeral establishment; amending s. 626.797,
18 F.S.; revising an association title; amending
19 s. 626.869, F.S.; deleting a provision relating
20 to limited licenses for certain adjusters;
21 revising certain education requirements;
22 amending s. 626.878, F.S.; specifying
23 implementation requirements for the department'
24 s ethics rules; amending s. 626.9541, F.S.;
25 revising sliding as an unfair method of
26 competition and unfair or deceptive act or
27 practice; amending s. 632.634, F.S.; specifying
28 registration of a society only upon department
29 request; amending s. 627.7295, F.S.; revising
30 the per-policy fees that general lines agents
31 may charge on certain policies; amending s.

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1 648.27, F.S.; imposing a delinquent fee for
2 certain notification failures; providing fee
3 payment requirements; deleting obsolete runner
4 references; amending s. 648.382, F.S.;
5 clarifying the effect of insurer authorization
6 of effectuation of certain appointments;
7 imposing a delinquent fee for certain
8 notification failures; providing fee payment
9 requirements; amending s. 648.383, F.S.;
10 including a department-designated person to
11 administer appointment processes for certain
12 appointment-related actions; providing for a
13 fee for certain late appointment filings;
14 amending s. 648.50, F.S.; deleting obsolete
15 runner references; repealing s. 626.032, F.S.,
16 relating to continuing education and required
17 designation of administrative agents; repealing
18 s. 626.361, F.S., relating to the effective
19 date of appointments; amending s. 627.351,
20 F.S.; providing requirements for the
21 corporation relating to personal lines
22 residential wind-only policies; requiring the
23 corporation to develop a wind-only rate making
24 methodology; requiring a report; requiring the
25 Citizens Property Insurance Corporation to
26 certify at certain intervals that its rates
27 comply with requirements to be set a certain
28 levels relative to other insurers; authorizing
29 the Office of Insurance Regulation to review
30 and act upon such certification; requiring the
31 corporation to appoint a rate methodology panel

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1 to make recommendations for the use of
2 additional ratemaking methods, including the
3 use of a rate equalization surcharge to assure
4 that the cost of coverage is sufficient to
5 comply with state law; requiring the
6 corporation to provide a related report to the
7 Legislature and a plan for implementing the
8 additional ratemaking methods; specifying how
9 the plan shall apply to agent commissions;
10 requiring the corporation to develop a notice
11 to policyholders; creating s. 624.105, F.S.;
12 providing for waiver of customer liability for
13 certain fees by providers of utility and
14 telecommunications services under certain
15 circumstances; creating s. 717.1071, F.S.;
16 providing procedures, requirements, and
17 limitations on lost owners of certain unclaimed
18 insurance entity activity proceeds; amending s.
19 624.430, F.S.; requiring certain insurers to
20 obtain reasonably available reinsurance under
21 certain circumstances; providing procedures and
22 criteria; amending s. 626.7451, F.S.; providing
23 a per-policy fee to be remitted to the
24 insurer's Special Investigations Unit, the
25 Division of Insurance Fraud of the Department
26 of Financial Services, and the Office of
27 Statewide Prosecution for purposes of
28 preventing, detecting, and prosecuting motor
29 vehicle insurance fraud; creating s. 624.4623,
30 F.S.; authorizing two or more independent
31 colleges or universities to form a

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1 self-insurance fund; providing specific
2 requirements; amending s. 624.81, F.S.;
3 requiring insurers that are under
4 administrative supervision to avail themselves
5 of all reasonably available reinsurance;
6 providing for a third party to search for
7 reinsurance; providing for reimbursing the
8 third party;

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