



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

A bill to be entitled

An act relating to insurance claims and premium payments; amending s. 627.4035, F.S.; providing for the payment of insurance premiums by a debit or credit card, automatic electronic funds transfer, or payroll deduction plan; amending s. 627.7015, F.S.; defining "claim" for purposes of alternative procedures for resolution of disputed property insurance claims; amending s. 627.901, F.S.; revising limits on service charges for premium financing; amending ss. 624.04, 624.303, 624.313, 624.317, 624.504, 624.506, 624.521, 626.022, 626.112, 626.733, 626.7354, 626.741, 626.753, 626.829, 634.171, 634.420, 642.034, 642.036, and 642.045, F.S.; deleting references to solicitors to conform to prior deletions; amending ss. 624.34, 626.202, and 626.601, F.S.; revising certain fingerprinting requirements; amending s. 624.501, F.S.; providing for a fee for certain late appointment filings; amending s. 626.015, F.S.; deleting a definition of administrative agent; amending s. 626.171, F.S.; revising applicant address requirements; specifying required background investigation information; amending ss. 626.175, 626.7355, 626.731, 626.831, 626.8414, 626.865, 626.866, 626.867, 626.874, 626.9916, 648.34, and 648.355, F.S.; revising licensure eligibility criteria to specify United States citizenship or certain legal alien status; providing for the adoption of rules; amending s. 626.201, F.S.; revising certain fingerprint requirements; amending s. 626.221, F.S.; revising appointment application filing



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

time period requirements; amending s. 626.2815, F.S.; requiring certain continuing education hour and subject requirements; deleting references to solicitors to conform to prior deletions; revising a continuing education board member title; amending s. 626.2816, F.S.; revising a cross-reference; clarifying a continuing education requirement; amending s. 626.2817, F.S.; deleting a prelicensure rule requirement; amending s. 626.311, F.S.; providing for the appointment of certain licensees; amending s. 626.321, F.S.; deleting references to solicitors to conform to prior deletions; providing for one application for a license and payment of applicable fees; amending s. 626.322, F.S.; clarifying the effect of insurer authorization of effectuation of certain appointments; amending s. 626.341, F.S.; including a department-designated person to administer appointment processes for certain appointment-related actions; amending s. 626.371, F.S.; providing requirements for submittal and effective date of appointments; imposing a delinquent fee for certain notification failures; providing fee payment requirements; amending s. 626.381, F.S.; including a department-designated person to administer appointment processes for certain appointment-related actions; providing for a fee for certain late appointment filings; amending s. 626.451, F.S.; including a department-designated person to administer appointment processes for certain appointment-related actions; clarifying the effect of insurer authorization of



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

effectuation of certain appointments; requiring licensee notification of the department of certain criminal proceedings; amending s. 626.461, F.S.; including a department-designated person to administer appointment processes for certain appointment-related actions; deleting references to solicitors to conform to prior deletions; amending s. 626.471, F.S.; including a department-designated person to administer appointment processes for certain appointment-related actions; providing for termination of certain appointments; requiring notice of termination; amending s. 626.843, F.S.; revising procedures for renewing title insurance agent appointments; amending s. 626.7315, F.S.; providing an exception to a prohibition against certain individuals receiving money on account of or for an insurer; amending ss. 626.732, 626.7851, 626.8311, and 626.8417, F.S.; revising certain education subject requirements; amending s. 626.7351, F.S.; revising licensure eligibility criteria to specify United States citizenship or certain legal alien status; revising certain education subject requirements; providing additional education course requirements; amending s. 626.785, F.S.; revising licensure eligibility criteria to specify United States citizenship or certain legal alien status; increasing the amount of coverage for burial-related expenses that may be sold by a life insurance agent under contract with a funeral establishment; amending s. 626.797, F.S.; revising an association title; amending s. 626.869, F.S.; deleting



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

a provision relating to limited licenses for certain adjusters; revising certain education requirements; amending s. 626.878, F.S.; specifying implementation requirements for the department's ethics rules; amending s. 626.9541, F.S.; clarifying activities that constitute illegal dealings in premiums; revising sliding as an unfair method of competition and unfair or deceptive act or practice; amending s. 632.634, F.S.; specifying registration of a society only upon department request; amending s. 648.27, F.S.; imposing a delinquent fee for certain notification failures; providing fee payment requirements; deleting obsolete runner references; amending s. 648.382, F.S.; clarifying the effect of insurer authorization of effectuation of certain appointments; imposing a delinquent fee for certain notification failures; providing fee payment requirements; amending s. 648.383, F.S.; including a department-designated person to administer appointment processes for certain appointment-related actions; providing for a fee for certain late appointment filings; amending s. 648.50, F.S.; deleting obsolete runner references; repealing s. 626.032, F.S., relating to continuing education and required designation of administrative agents; repealing s. 626.361, F.S., relating to the effective date of appointments; amending s. 627.351, F.S.; providing requirements for the corporation relating to personal lines residential wind-only policies; requiring the corporation to develop a wind-only rate making



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

methodology; requiring a report; requiring the Citizens Property Insurance Corporation to certify at certain intervals that its rates comply with requirements to be set a certain levels relative to other insurers; authorizing the Office of Insurance Regulation to review and act upon such certification; requiring the corporation to appoint a rate methodology panel to make recommendations for the use of additional ratemaking methods, including the use of a rate equalization surcharge to assure that the cost of coverage is sufficient to comply with state law; requiring the corporation to provide a related report to the Legislature and a plan for implementing the additional ratemaking methods; specifying how the plan shall apply to agent commissions; requiring the corporation to develop a notice to policyholders; creating s. 624.105, F.S.; providing for waiver of customer liability for certain fess by providers of utility and telecommunications services under certain circumstances; creating s. 717.1071, F.S.; providing procedures, requirements, and limitations on lost owners of certain unclaimed insurance entity activity proceeds; amending s. 624.430, F.S.; requiring certain insurers to obtain reasonably available reinsurance under certain circumstances; providing procedures and criteria; amending s. 626.7451, F.S.; providing a per-policy fee to be remitted to the insurer's Special Investigations Unit, the Division of Insurance Fraud of the Department of Financial Services, and the Office of Statewide Prosecution for



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

purposes of preventing, detecting, and prosecuting motor vehicle insurance fraud; creating s. 624.4623, F.S.; authorizing two or more independent colleges or universities to form a self-insurance fund; providing specific requirements; amending s. 624.81, F.S.; requiring insurers that are under administrative supervision to avail themselves of all reasonably available reinsurance; providing for a third party to search for reinsurance; providing for reimbursing the third party; amending s. 626.9541, F.S.; prohibiting insurers from refusing to insure solely because the insured or applicant is a public official; providing an effective date.

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

Section 1. Subsection (1) of section 627.4035, Florida Statutes, is amended to read:

627.4035 Cash payment of premiums; claims.--

(1) The premiums for insurance contracts issued in this state or covering risk located in this state shall be paid in cash consisting of coins, currency, checks, or money orders or by using a debit card, credit card, automatic electronic funds transfer, or payroll deduction plan.

Section 2. Subsection (9) is added to section 627.7015, Florida Statutes, to read:

627.7015 Alternative procedure for resolution of disputed property insurance claims.--



ENROLLED  
 HB 0513, Engrossed 2

2003 Legislature

(9) For purposes of this section, the term "claim" refers to any dispute between an insurer and an insured relating to a material issue of fact other than a dispute:

(a) With respect to which the insurer has a reasonable basis to suspect fraud;

(b) Where, based on agreed-upon facts as to the cause of loss, there is no coverage under the policy;

(c) With respect to which the insurer has a reasonable basis to believe that the claimant has intentionally made a material misrepresentation of fact which is relevant to the claim, and the entire request for payment of a loss has been denied on the basis of the material misrepresentation; or

(d) With respect to which the amount in controversy is less than \$500, unless the parties agree to mediate a dispute involving a lesser amount.

Section 3. Subsection (1) of section 627.901, Florida Statutes, is amended to read:

627.901 Premium financing by an insurance agent or agency.--

(1) A general lines agent may make reasonable service charges for financing insurance premiums on policies issued or business produced by such an agent or agency, s. 626.9541 notwithstanding. The service charge shall not exceed \$3 ~~\$1~~ per installment, ~~or a \$6 total service charge per year, for any premium balance of \$120 or less. For any premium balance greater than \$120 but not more than \$220, the service charge shall not exceed \$9 per year.~~ The maximum service charge for any premium balance greater than \$220 shall not exceed \$36 ~~\$12~~ per year. In



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

lieu of such service charges, an insurance agent or agency, at the sole discretion of such agent or agency, may charge a rate of interest not to exceed 18 percent simple interest per year on:

(a) The unpaid balance; or

(b) The average unpaid balance as billed over the term of the policy and subject to endorsement changes. The interest authorized by this paragraph may be billed in equal installments.

Section 4. Section 624.04, Florida Statutes, is amended to read:

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

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

624.303 Seal; certified copies as evidence.--

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

Section 6. Paragraph (a) of subsection (2) of section 624.313, Florida Statutes, is amended to read:

624.313 Publications.--

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





ENROLLED  
 HB 0513, Engrossed 2

2003 Legislature

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

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

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

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

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

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

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



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

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

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

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

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

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

(5) The Department of Law Enforcement shall, upon receipt of fingerprints from the department or office, submit the



ENROLLED  
 HB 0513, Engrossed 2

2003 Legislature

fingerprints to the Federal Bureau of Investigation to check federal criminal history records.

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

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

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

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

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

Appointment fee....\$42.00  
 State tax....12.00  
 County tax....6.00  
 Total....\$60.00

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



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

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

624.504 Liability for state, county tax.--

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

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

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

624.506 County tax; deposit and remittance.--

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

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

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

(1) The Department of Insurance shall promptly deposit in the State Treasury to the credit of the Insurance Commissioner's Regulatory Trust Fund all "state tax" portions of agents' ~~and solicitors'~~ licenses collected under s. 624.501 necessary to fund the Division of Insurance Fraud. The balance of the tax shall be credited to the General Fund. All moneys received by



ENROLLED  
 HB 0513, Engrossed 2

2003 Legislature

the Department of Insurance not in accordance with the provisions of this code or not in the exact amount as specified by the applicable provisions of this code shall be returned to the remitter. The records of the department shall show the date and reason for such return.

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

626.015 Definitions.--As used in this part:

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

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

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

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

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

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

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

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



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

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

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

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

(a) Property insurance.

(b) Casualty insurance, including commercial liability insurance underwritten by a risk retention group, a commercial self-insurance fund as defined in s. 624.462, or a workers' compensation self-insurance fund established pursuant to s. 624.4621.

(c) Surety insurance.

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

(e) Marine insurance.

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

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

(9)~~(10)~~ "Insurance agency" means a business location at which an individual, firm, partnership, corporation, association, or other entity, other than an employee of the



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

individual, firm, partnership, corporation, association, or other entity and other than an insurer as defined by s. 624.03 or an adjuster as defined by subsection (1), engages in any activity or employs individuals to engage in any activity which by law may be performed only by a licensed insurance agent.

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

(11)~~(12)~~ "Life agent" means an individual representing an insurer as to life insurance and annuity contracts, including agents appointed to transact life insurance, fixed-dollar annuity contracts, or variable contracts by the same insurer.

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

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

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

(15)~~(16)~~(a) "Managing general agent" means any person managing all or part of the insurance business of an insurer, including the management of a separate division, department, or



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

underwriting office, and acting as an agent for that insurer, whether known as a managing general agent, manager, or other similar term, who, with or without authority, separately or together with affiliates, produces directly or indirectly, or underwrites an amount of gross direct written premium equal to or more than 5 percent of the policyholder surplus as reported in the last annual statement of the insurer in any single quarter or year and also does one or more of the following:

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

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

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

~~(16)~~(17) "Resident" means an individual domiciled and residing in this state.

~~(17)~~(18) "Service representative" means an individual employed by an insurer or managing general agent for the purpose of assisting a general lines agent in negotiating and effecting





ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

insurance contracts when accompanied by a licensed general lines agent. A service representative shall not be simultaneously licensed as a general lines agent in this state. This subsection does not apply to life insurance.

(18)~~(19)~~ "Uniform application" means the uniform application of the National Association of Insurance Commissioners for nonresident agent licensing, effective January 15, 2001, or subsequent versions adopted by rule by the department.

Section 14. Subsection (1) of section 626.022, Florida Statutes, is amended to read:

626.022 Scope of part.--

(1) This part applies as to insurance agents, ~~solicitors,~~ service representatives, adjusters, and insurance agencies; as to any and all kinds of insurance; and as to stock insurers, mutual insurers, reciprocal insurers, and all other types of insurers, except that:

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

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

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

(d) This part does not apply to a certified public accountant licensed under chapter 473 who is acting within the



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

scope of the practice of public accounting, as defined in s. 473.302, provided that the activities of the certified public accountant are limited to advising a client of the necessity of obtaining insurance, the amount of insurance needed, or the line of coverage needed, and provided that the certified public accountant does not directly or indirectly receive or share in any commission or, referral fee, ~~or solicitor's fee~~.

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

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

(7)(a) No individual, firm, partnership, corporation, association, or any other entity shall act in its own name or under a trade name, directly or indirectly, as an insurance agency, when required to be licensed by this subsection, unless it complies with s. 626.172 with respect to possessing an insurance agency license for each place of business at which it engages in any activity which may be performed only by a licensed insurance agent ~~or solicitor~~.

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

626.171 Application for license.--

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

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



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

(5) An application for a license as an agent, customer representative, adjuster, insurance agency, service representative, managing general agent, or reinsurance intermediary must be accompanied by a set of the individual applicant's fingerprints, or, if the applicant is not an individual, by a set of the fingerprints of the sole proprietor, majority owner, partners, officers, and directors, on a form adopted by rule of the department and accompanied by the fingerprint processing fee set forth in s. 624.501. Fingerprints shall be used to investigate the applicant's qualifications pursuant to s. 626.201. The fingerprints shall be taken ~~certified~~ by a law enforcement agency or other department- approved entity officer.

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

626.175 Temporary licensing.--

(1) The department may issue a nonrenewable temporary license for a period not to exceed 6 months authorizing appointment of a general lines insurance agent or a life agent, or an industrial fire or burglary agent, subject to the conditions described in this section. The fees paid for a temporary license and appointment shall be as specified in s. 624.501. Fees paid shall not be refunded after a temporary license has been issued.

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

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



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

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

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

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

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

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

d. Under a temporary license and appointment, the licensee shall not represent any insurer not last represented by the agent being replaced and shall not be licensed or appointed as to any additional kind, line, or class of insurance other than those covered by the last existing agency appointments of the replaced agent. If an insurer withdraws from the agency during the temporary license period, the temporary licensee may be



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

appointed by another similar insurer but only for the period remaining under the temporary license.

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

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

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

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

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

(d)~~(e)~~ In the case of a limited license authorizing appointment as an industrial fire or burglary agent, the department may issue a temporary license to an individual otherwise qualified to be licensed as an agent who has completed the educational or training requirements prescribed in s.



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

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

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

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

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

626.201 Investigation.--

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

(2) The department may, upon completion of the application, make such further investigation as it may deem



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

advisable of the applicant's character, experience, background, and fitness for the license or appointment. Such an inquiry or investigation shall be in addition to any examination required to be taken by the applicant as hereinafter in this chapter provided.

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

Section 20. Paragraphs (e), (f), (g), and (k) of subsection (2) of section 626.221, Florida Statutes, are amended to read:

626.221 Examination requirement; exemptions.--

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

(e) An individual who qualified as a managing general agent, service representative, customer representative, or all-lines adjuster by passing a general lines agent's examination and subsequently was licensed and appointed and has been actively engaged in all lines of property and casualty insurance may, upon filing an application for appointment, be licensed and appointed as a general lines agent for the same kinds of business without taking another examination if he or she holds any such currently effective license referred to in this



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

paragraph or held the license within 48 ~~24~~ months prior to the date of filing the application with the department.

(f) A person who has been licensed and appointed by the department as a public adjuster or independent adjuster, or licensed and appointed either as an agent or company adjuster as to all property, casualty, and surety insurances, may be licensed and appointed as a company adjuster as to any of such insurances, or as an independent adjuster or public adjuster, without additional written examination if an application for appointment is filed with the department within 48 ~~24~~ months following the date of cancellation or expiration of the prior appointment.

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

(k) An applicant for license as a customer representative who has the designation of Accredited Advisor in Insurance (AAI) from the Insurance Institute of America, the designation of Certified Insurance Counselor (CIC) from the Society of Certified Insurance Service Counselors, the designation of Accredited Customer Service Representative (ACSR) from the Independent Insurance Agents of America, the designation of Certified Professional Service Representative (CPSR) from the National Foundation for Certified Professional Service





ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

Representatives Association of Professional Insurance Agents, the designation of Certified Insurance Service Representative (CISR) from the Society of Certified Insurance Service Representatives. Also, an applicant for license as a customer representative who has the designation of Certified Customer Service Representative (CCSR) from the Florida Association of Insurance Agents, or the designation of Registered Customer Service Representative (RCSR) from a regionally accredited postsecondary institution in this state, or the designation of Professional Customer Service Representative (PCSR) from the Professional Career Institute, whose curriculum has been approved by the department and whose curriculum includes comprehensive analysis of basic property and casualty lines of insurance and testing at least equal to that of standard department testing for the customer representative license. The department shall adopt rules establishing standards for the approval of curriculum.

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

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

(3)(a) Each person subject to the provisions of this section must, except as set forth in paragraphs (b) and (c), complete a minimum of 24 ~~28~~ hours of continuing education courses every 2 years in basic or higher-level courses prescribed by this section or in other courses approved by the



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

department. Each person subject to the provisions of this section must complete, as part of his or her ~~their~~ required number of continuing education hours, 3 hours of continuing education, approved by the department, every 2 years on the subject matter of ethics and a minimum of 2 hours of continuing education, approved by the department, every 2 years on the subject matter of unauthorized entities engaging in the business of insurance. The scope of the topic of unauthorized entities shall include the Florida Nonprofit Multiple Employer Welfare Arrangement Act and the Employee Retirement Income Security Act, 29 U.S.C. ss. 1001 et seq., as it relates to the provision of health insurance by employers to their employees and the regulation thereof.

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

(d) Any person who holds a license as a customer representative, limited customer representative, ~~administrative agent~~, title agent, motor vehicle physical damage and mechanical breakdown insurance agent, crop or hail and multiple-peril crop insurance agent, or as an industrial fire insurance or burglary



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

insurance agent and who is not a licensed life or health insurance agent, shall be required to complete 12 ~~14~~ hours of continuing education courses every 2 years, except, for compliance periods beginning on January 1, 1998, each licensee subject to this paragraph shall be required to complete 10 hours of continuing education courses every 2 years.

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

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

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

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

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

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

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

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

(6)

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



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

1. Seven members representing agents of which at least one must be a representative from each of the following organizations: the Florida Association of Insurance Agents; the Florida Association of Insurance and Financial Advisors ~~Life Underwriters~~; the Professional Insurance Agents of Florida, Inc.; the Florida Association of Health Underwriters; the Specialty Agents' Association; the Latin American Agents' Association; and the National Association of Insurance Women. Such board members must possess at least a bachelor's degree or higher from an accredited college or university with major coursework in insurance, risk management, or education or possess the designation of CLU, CPCU, CHFC, CFP, AAI, or CIC. In addition, each member must possess 5 years of classroom instruction experience or 5 years of experience in the development or design of educational programs or 10 years of experience as a licensed resident agent. Each organization may submit to the department a list of recommendations for appointment. If one organization does not submit a list of recommendations, the Insurance Commissioner may select more than one recommended person from a list submitted by other eligible organizations.

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



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

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

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

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

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

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

(2) The department shall adopt rules establishing standards for the approval, regulation, and operation of the continuing education programs and for the discipline of licensees, course providers, instructors, school officials, and monitor groups. The standards must be designed to ensure that such course providers, instructors, school officials, and monitor groups have the knowledge, competence, and integrity to fulfill the educational objectives of ss. 626.2815, 626.869~~(5)~~, 648.385, and 648.386.

(3) The department shall adopt rules establishing a process by which compliance with the continuing education requirements of ss. 626.2815, 626.869~~(5)~~, 648.385, and 648.386



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

can be determined, the establishment of a continuing education compliance period ~~requirement cycle~~ for licensees, and forms necessary to implement such a process.

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

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

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

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

626.311 Scope of license.--

(5) At any time while a license is in force, an insurer may apply to the department on behalf of the licensee for an appointment. Upon receipt of the appointment application and appointment taxes and fees, the department may issue the additional appointment without further investigation concerning the applicant.

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

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



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

626.321 Limited licenses.--

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

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

(e) Credit life or disability insurance.--License covering only credit life or disability insurance. The license may be issued only to an individual employed by a life or health insurer as an officer or other salaried or commissioned representative, to an individual employed by or associated with a lending or financial institution or creditor, or to a lending or financial institution or creditor, and may authorize the sale of such insurance only with respect to borrowers or debtors of such lending or financing institution or creditor. However, only the individual or entity whose tax identification number is



ENROLLED  
 HB 0513, Engrossed 2

2003 Legislature

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

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

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

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

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





ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

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

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

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

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

(4)(3) Except as otherwise expressly provided, an individual applying for or holding a limited license shall be subject to the same applicable requirements and responsibilities as apply to general lines agents in general, if licensed as to motor vehicle physical damage and mechanical breakdown insurance, credit property insurance, industrial fire insurance or burglary insurance, in-transit and storage personal property insurance, communications equipment property insurance or communications equipment inland marine insurance, baggage and motor vehicle excess liability insurance, or credit insurance;



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

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

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

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



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

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

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

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

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

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



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

626.371 Payment of fees, taxes for appointment period without appointment.--

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

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

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



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

(b) Failure to timely renew an appointment by an appointing entity prior to the expiration date of the appointment shall result in the appointing entity being assessed late filing, continuation, and reinstatement fees as prescribed in s. 624.501. Such fees must be paid by the appointing entity and cannot be charged back to the appointee.

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

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

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

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



ENROLLED  
 HB 0513, Engrossed 2

2003 Legislature

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

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

626.451 Appointment of agent or other representative.--

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

(2) By authorizing the effectuation of an appointment for a licensee, the appointing entity is thereby certifying to the department that an investigation of the licensee has been made  
~~As a part of each appointment there shall be a certified statement or affidavit of an appropriate officer or official of the appointing entity stating what investigation the appointing entity has made concerning the proposed appointee and his or her background and~~ that in the appointing entity's opinion and to the best of its knowledge and belief, the licensee is of good as  
~~to the moral character and reputation, and is fit to engage in the insurance business. The appointing entity shall provide to the department fitness, and reputation of the proposed appointee~~



ENROLLED  
 HB 0513, Engrossed 2

2003 Legislature

~~and~~ any other information the department may reasonably require relative to the proposed appointee.

(3) By authorizing the effectuation of ~~in~~ the appointment of an agent, adjuster, service representative, customer representative, or managing general agent the appointing entity is thereby certifying to the department ~~shall also certify~~ ~~therein~~ that it is willing to be bound by the acts of the agent, adjuster, service representative, customer representative, or managing general agent, within the scope of the licensee's ~~his~~ ~~or her~~ employment.

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

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

626.461 Continuation of appointment of agent or other representative.--Subject to renewal or continuation by the appointing entity, the appointment of the agent, adjuster, ~~solicitor~~, service representative, customer representative, or managing general agent shall continue in effect until the person's license is revoked or otherwise terminated, unless written notice of earlier termination of the appointment is filed with the department or person designated by the department



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

to administer the appointment process by either the appointing entity or the appointee.

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

626.471 Termination of appointment.--

(4) An appointee may terminate the appointment at any time by giving written or electronic notice thereof to the appointing entity, ~~and filing a copy of the notice with the department, or person designated by the department to administer the~~ appointment process. The department shall immediately terminate the appointment and notify the appointing entity of such termination. Such termination shall be subject to the appointee's contract rights, if any.

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

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

626.601 Improper conduct; inquiry; fingerprinting.--

(5) If the department, after investigation, has reason to believe that a licensee may have been found guilty of or pleaded guilty or nolo contendere to a felony or a crime related to the business of insurance in this or any other state or jurisdiction, the department may require the licensee to file with the department a complete set of his or her fingerprints, which shall be accompanied by the fingerprint processing fee set forth in s. 624.501. The fingerprints shall be taken ~~certified~~





ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

by an authorized law enforcement agency or other department-  
approved entity officer.

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

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

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

(b) The applicant is a United States citizen or legal alien who possesses work authorization from the United States Immigration and Naturalization Service and is a bona fide resident of this state. An individual who is a bona fide resident of this state shall be deemed to meet the residence requirement of this paragraph, notwithstanding the existence at the time of application for license of a license in his or her name on the records of another state as a resident licensee of such other state, if the applicant furnishes a letter of clearance satisfactory to the department that the resident licenses have been canceled or changed to a nonresident basis and that he or she is in good standing.

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

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



ENROLLED  
 HB 0513, Engrossed 2

2003 Legislature

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

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

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

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

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

(b) Completed a correspondence course in insurance, 3 hours of which shall be on the subject matter of ethics,



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

satisfactory to the department and regularly offered by accredited institutions of higher learning in this state and, except if he or she is applying for a limited license under s. 626.321, has had at least 6 months of responsible insurance duties as a substantially full-time bona fide employee in all lines of property and casualty insurance set forth in the definition of general lines agent under s. 626.015;

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

2. Completed at least 1 year of responsible insurance duties as a licensed and appointed service representative in either commercial or personal lines of property and casualty insurance and 80 hours of classroom courses approved by the department covering the areas of property, casualty, surety, health, and marine insurance.

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

626.733 Agency firms and corporations; special requirements.--If a sole proprietorship, partnership, corporation, or association holds an agency contract, all members thereof who solicit, negotiate, or effect insurance contracts, and all officers and stockholders of the corporation who solicit, negotiate, or effect insurance contracts, are required to qualify and be licensed individually as agents,



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

~~solicitors~~, or customer representatives; and all of such agents must be individually appointed as to each property and casualty insurer entering into an agency contract with such agency. Each such appointing insurer as soon as known to it shall comply with this section and shall determine and require that each agent so associated in or so connected with such agency is likewise appointed as to the same such insurer and for the same type and class of license. However, no insurer is required to comply with the provisions of this section if such insurer satisfactorily demonstrates to the department that the insurer has issued an aggregate net written premium, in an agency, in an amount of \$25,000 or less.

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

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

(2)(a) The applicant is a United States citizen or legal alien who possesses work authorization from the United States Immigration and Naturalization Service and is a bona fide resident of this state and will actually reside in the state at least 6 months out of the year. An individual who is a bona fide resident of this state shall be deemed to meet the residence requirements of this subsection, notwithstanding the existence at the time of application for license of a license in his or her name on the records of another state as a resident licensee



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

of the other state, if the applicant furnishes a letter of clearance satisfactory to the department that the resident licenses have been canceled or changed to a nonresident basis and that he or she is in good standing.

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

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

626.7354 Customer representative's powers; agent's or agency's responsibility.--

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



ENROLLED  
 HB 0513, Engrossed 2

2003 Legislature

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

626.7355 Temporary license as customer representative pending examination.--

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

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

Section 41. Subsection (3) of section 626.741, Florida Statutes, is amended to read:

626.741 Nonresident agents; licensing and restrictions.--

(3) The department shall not, however, issue any license and appointment to any nonresident who has an office or place of business in this state, or who has any direct or indirect pecuniary interest in any insurance agent or insurance agency ~~or in any solicitor~~ licensed as a resident of this state; nor to



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

any individual who does not, at the time of issuance and throughout the existence of the Florida license, hold a license as agent or broker issued by his or her home state; nor to any individual who is employed by any insurer as a service representative or who is a managing general agent in any state, whether or not also licensed in another state as an agent or broker. The foregoing requirement to hold a similar license in the applicant's home state does not apply to customer representatives unless the home state licenses residents of that state in a similar manner. The prohibition against having an office or place of business in this state does not apply to customer representatives who are required to conduct business solely within the confines of the office of a licensed and appointed Florida resident general lines agent in this state. The authority of such nonresident license is limited to the specific lines of authority granted in the license issued by the agent's home state and further limited to the specific lines authorized under the nonresident license issued by this state. The department shall have discretion to refuse to issue any license or appointment to a nonresident when it has reason to believe that the applicant by ruse or subterfuge is attempting to avoid the intent and prohibitions contained in this subsection or to believe that any of the grounds exist as for suspension or revocation of license as set forth in ss. 626.611 and 626.621.

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

626.753 Sharing commissions; penalty.--



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

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

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

626.785 Qualifications for license.--

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

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

(d) Must not be a funeral director or direct disposer, or an employee or representative thereof, or have an office in, or in connection with, a funeral establishment, except that a funeral establishment may contract with a life insurance agent to sell a preneed contract as defined in chapter 497.

Notwithstanding other provisions of this chapter, such insurance agent may sell limited policies of insurance covering the expense of final disposition or burial of an insured in the an amount of \$12,500, plus an annual percentage increase based on the Annual Consumer Price Index compiled by the United States Department of Labor, beginning with the Annual Consumer Price Index announced by the United States Department of Labor for the year 2003 ~~not to exceed \$10,000.~~





ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

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

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

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

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



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

it relates to the provision of life insurance by employers to their employees and the regulation thereof;

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

626.829 "Health agent" defined.--

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

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

626.831 Qualifications for license.--

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

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

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

626.8311 Requirement as to knowledge, experience, or instruction.--No applicant for a license as a health agent, except for a chartered life underwriter (CLU), shall be



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

qualified or licensed unless within the 4 years immediately preceding the date the application for license is filed with the department he or she has:

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

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

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



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

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

(2) The applicant must be a United States citizen or legal alien who possesses work authorization from the United States Immigration and Naturalization Service and a bona fide resident of this state. A person meets the residency requirement of this subsection, notwithstanding the existence at the time of application for license of a license in the applicant's name on the records of another state as a resident licensee of such other state, if the applicant furnishes a letter of clearance satisfactory to the department that the resident licenses have been canceled or changed to a nonresident basis and that the applicant is in good standing.

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

626.8417 Title insurance agent licensure; exemptions.--

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

(a) Within the 4 years immediately preceding the date of the application for license, the applicant must have completed a 40-hour classroom course in title insurance, 3 hours of which shall be on the subject matter of ethics, as approved by the department, or must have had at least 12 months of experience in



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

responsible title insurance duties, while working in the title insurance business as a substantially full-time, bona fide employee of a title agency, title agent, title insurer, or attorney who conducts real estate closing transactions and issues title insurance policies but who is exempt from licensure pursuant to paragraph (4)(a). If an applicant's qualifications are based upon the periods of employment at responsible title insurance duties, the applicant must submit, with the application for license on a form prescribed by the department, the affidavit of the applicant and of the employer setting forth the period of such employment, that the employment was substantially full time, and giving a brief abstract of the nature of the duties performed by the applicant.

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

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

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

(2) Title insurance agent appointments shall be renewed pursuant to s. 626.381 for insurance representatives in general.  
~~Each insurer shall file with the department the lists, statements, and information as to appointments which are being renewed or being terminated, accompanied by payment of the~~



ENROLLED  
 HB 0513, Engrossed 2

2003 Legislature

~~applicable renewal fees and taxes as prescribed in s. 624.501, by a date set forth by the department following the month during which the appointments will expire.~~

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

~~(4) Request for renewal of an appointment which is received by the department after the date set by the department may be accepted and effectuated by the department in its discretion if an additional appointment continuation and reinstatement fee accompany the request for renewal pursuant to s. 624.501.~~

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

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

626.865 Public adjuster's qualifications, bond.--

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

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



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

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

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

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

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

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

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

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

626.869 License, adjusters.--

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



ENROLLED  
 HB 0513, Engrossed 2

2003 Legislature

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

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

~~(3) With the exception of a public adjuster limited to health insurance, a limited license set forth in subsection (1) as an independent or public adjuster may only be issued to and retained by an employee of an independent or public adjusting firm which is supervised by a duly appointed all-lines adjuster or an employee of an independent or public adjuster licensed and appointed in all lines of insurance other than life and annuity. The office of the limited lines adjuster shall be in the office of the licensed all-lines adjuster responsible for his or her supervision and instruction.~~

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

(4)~~(5)~~ Any individual ~~person~~ holding a license for 24 consecutive months or longer ~~and who engages in adjusting~~





ENROLLED  
 HB 0513, Engrossed 2

2003 Legislature

~~workers' compensation insurance~~ must, beginning in his or her their birth month and every 2 years thereafter, have completed 24 hours of courses, 2 hours of which relate to ethics, in subjects designed to inform the licensee regarding the current insurance ~~workers' compensation~~ laws of this state, so as to enable him or her to engage in business as an ~~a workers'~~ ~~compensation~~ insurance adjuster fairly and without injury to the public and to adjust all claims in accordance with the policy or contract and the ~~workers' compensation~~ laws of this state. ~~In order to qualify as an eligible course under this subsection, the course must:~~

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

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

~~(c) Be taught by instructors with at least 5 years of experience in the area of workers' compensation, general lines of insurance, or other persons approved by the department. However, a member of The Florida Bar is exempt from the 5 years' experience requirement.~~

~~(d) Furnish the attendee a certificate of completion. The course provider shall send a roster to the department in a format prescribed by the department.~~

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

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

626.874 Catastrophe or emergency adjusters.--



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

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

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

626.878 Rules; code of ethics.--An adjuster shall subscribe to the code of ethics specified in the rules of the department. The rules shall implement the provisions of this part and specify the terms and conditions of contracts, including a right to cancel, and require practices necessary to ensure fair dealing, prohibit conflicts of interest, and ensure preservation of the rights of the claimant to participate in the adjustment of claims.

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

626.797 Code of ethics.--



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

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

Section 58. Paragraphs (o) and (z) of subsection (1) of section 626.9541, Florida Statutes, are amended to read:

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

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

(o) Illegal dealings in premiums; excess or reduced charges for insurance.--

1. Knowingly collecting any sum as a premium or charge for insurance, which is not then provided, or is not in due course to be provided, subject to acceptance of the risk by the insurer, by an insurance policy issued by an insurer as permitted by this code.

2. Knowingly collecting as a premium or charge for insurance any sum in excess of or less than the premium or charge applicable to such insurance, in accordance with the applicable classifications and rates as filed with and approved by the department, and as specified in the policy; or, in cases when classifications, premiums, or rates are not required by this code to be so filed and approved, premiums and charges collected from a Florida resident in excess of or less than those specified in the policy and as fixed by the insurer. This



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

provision shall not be deemed to prohibit the charging and collection, by surplus lines agents licensed under part VIII of this chapter, of the amount of applicable state and federal taxes, or fees as authorized by s. 626.916(4), in addition to the premium required by the insurer or the charging and collection, by licensed agents, of the exact amount of any discount or other such fee charged by a credit card facility in connection with the use of a credit card, as authorized by subparagraph (q)3., in addition to the premium required by the insurer. This subparagraph shall not be construed to prohibit collection of a premium for a universal life or a variable or indeterminate value insurance policy made in accordance with the terms of the contract.

3.a. Imposing or requesting an additional premium for a policy of motor vehicle liability, personal injury protection, medical payment, or collision insurance or any combination thereof or refusing to renew the policy solely because the insured was involved in a motor vehicle accident unless the insurer's file contains information from which the insurer in good faith determines that the insured was substantially at fault in the accident.

b. An insurer which imposes and collects such a surcharge or which refuses to renew such policy shall, in conjunction with the notice of premium due or notice of nonrenewal, notify the named insured that he or she is entitled to reimbursement of such amount or renewal of the policy under the conditions listed below and will subsequently reimburse him or her or renew the



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

policy, if the named insured demonstrates that the operator involved in the accident was:

- (I) Lawfully parked;
- (II) Reimbursed by, or on behalf of, a person responsible for the accident or has a judgment against such person;
- (III) Struck in the rear by another vehicle headed in the same direction and was not convicted of a moving traffic violation in connection with the accident;
- (IV) Hit by a "hit-and-run" driver, if the accident was reported to the proper authorities within 24 hours after discovering the accident;
- (V) Not convicted of a moving traffic violation in connection with the accident, but the operator of the other automobile involved in such accident was convicted of a moving traffic violation;
- (VI) Finally adjudicated not to be liable by a court of competent jurisdiction;
- (VII) In receipt of a traffic citation which was dismissed or nolle prossed; or
- (VIII) Not at fault as evidenced by a written statement from the insured establishing facts demonstrating lack of fault which are not rebutted by information in the insurer's file from which the insurer in good faith determines that the insured was substantially at fault.

c. In addition to the other provisions of this subparagraph, an insurer may not fail to renew a policy if the insured has had only one accident in which he or she was at fault within the current 3-year period. However, an insurer may



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

nonrenew a policy for reasons other than accidents in accordance with s. 627.728. This subparagraph does not prohibit nonrenewal of a policy under which the insured has had three or more accidents, regardless of fault, during the most recent 3-year period.

4. Imposing or requesting an additional premium for, or refusing to renew, a policy for motor vehicle insurance solely because the insured committed a noncriminal traffic infraction as described in s. 318.14 unless the infraction is:

a. A second infraction committed within an 18-month period, or a third or subsequent infraction committed within a 36-month period.

b. A violation of s. 316.183, when such violation is a result of exceeding the lawful speed limit by more than 15 miles per hour.

5. Upon the request of the insured, the insurer and licensed agent shall supply to the insured the complete proof of fault or other criteria which justifies the additional charge or cancellation.

6. No insurer shall impose or request an additional premium for motor vehicle insurance, cancel or refuse to issue a policy, or refuse to renew a policy because the insured or the applicant is a handicapped or physically disabled person, so long as such handicap or physical disability does not substantially impair such person's mechanically assisted driving ability.

7. No insurer may cancel or otherwise terminate any insurance contract or coverage, or require execution of a



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

consent to rate endorsement, during the stated policy term for the purpose of offering to issue, or issuing, a similar or identical contract or coverage to the same insured with the same exposure at a higher premium rate or continuing an existing contract or coverage with the same exposure at an increased premium.

8. No insurer may issue a nonrenewal notice on any insurance contract or coverage, or require execution of a consent to rate endorsement, for the purpose of offering to issue, or issuing, a similar or identical contract or coverage to the same insured at a higher premium rate or continuing an existing contract or coverage at an increased premium without meeting any applicable notice requirements.

9. No insurer shall, with respect to premiums charged for motor vehicle insurance, unfairly discriminate solely on the basis of age, sex, marital status, or scholastic achievement.

10. Imposing or requesting an additional premium for motor vehicle comprehensive or uninsured motorist coverage solely because the insured was involved in a motor vehicle accident or was convicted of a moving traffic violation.

11. No insurer shall cancel or issue a nonrenewal notice on any insurance policy or contract without complying with any applicable cancellation or nonrenewal provision required under the Florida Insurance Code.

12. No insurer shall impose or request an additional premium, cancel a policy, or issue a nonrenewal notice on any insurance policy or contract because of any traffic infraction when adjudication has been withheld and no points have been



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

assessed pursuant to s. 318.14(9) and (10). However, this subparagraph does not apply to traffic infractions involving accidents in which the insurer has incurred a loss due to the fault of the insured.

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

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

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

3. Charging an applicant for a specific ancillary coverage or product, in addition to the cost of the ~~motor vehicle~~ insurance coverage applied for, without the informed consent of the applicant.

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

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

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

(f) If a natural person, is at least 18 years of age and a United States citizen or legal alien who possesses work





ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

authorization from the United States Immigration and Naturalization Service.

Section 60. Subsection (3) of section 632.634, Florida Statutes, is amended to read:

632.634 Licensing and appointment of agents.--

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

Section 61. Section 634.171, Florida Statutes, is amended to read:

634.171 Salesperson to be licensed and appointed.--  
Salespersons for motor vehicle service agreement companies and insurers shall be licensed, appointed, renewed, continued, reinstated, or terminated as prescribed in chapter 626 for



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

insurance representatives in general. However, they shall be exempt from all other provisions of chapter 626 including fingerprinting, photo identification, education, and examination provisions. License, appointment, and other fees shall be those prescribed in s. 624.501. A licensed and appointed salesperson shall be directly responsible and accountable for all acts of her or his employees and other representatives. Each service agreement company or insurer shall, on forms prescribed by the department, within 30 days after termination of the appointment, notify the department of such termination. No employee or salesperson of a motor vehicle service agreement company or insurer may directly or indirectly solicit or negotiate insurance contracts, or hold herself or himself out in any manner to be an insurance agent ~~or solicitor~~, unless so qualified, licensed, and appointed therefor under the Florida Insurance Code. A motor vehicle service agreement company is not required to be licensed as a salesperson to solicit, sell, issue, or otherwise transact the motor vehicle service agreements issued by the motor vehicle service agreement company.

Section 62. Section 634.420, Florida Statutes, is amended to read:

634.420 License and appointment of sales representatives.-  
-Sales representatives for service warranty associations or insurers shall be licensed, appointed, renewed, continued, reinstated, or terminated in accordance with procedures as prescribed in chapter 626 for insurance representatives in general. However, they shall be exempt from all other provisions



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

of chapter 626, including fingerprinting, photo identification, education, and examination. License, appointment, and other fees shall be those prescribed in s. 624.501. A licensed and appointed sales representative shall be directly responsible and accountable for all acts of the licensed sales representative's employees or other representatives. Each service warranty association or insurer shall, on forms prescribed by the department, within 30 days after termination of the appointment, notify the department of such termination. No employee or sales representative of a service warranty association or insurer may directly or indirectly solicit or negotiate insurance contracts, or hold herself or himself out in any manner to be an insurance agent ~~or solicitor~~, unless so qualified, licensed, and appointed therefor under the insurance code.

Section 63. Section 642.034, Florida Statutes, is amended to read:

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

Section 64. Section 642.036, Florida Statutes, is amended to read:



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

642.036 Sales representatives to be licensed and appointed.--Sales representatives of legal expense insurers shall be licensed, appointed, renewed, continued, reinstated, or terminated as prescribed in chapter 626 for insurance representatives in general, and shall pay the license and appointment fees prescribed in s. 624.501. No employee or sales representative of an insurer may directly or indirectly solicit or negotiate insurance contracts, or hold herself or himself out in any manner to be an insurance agent ~~or solicitor~~, unless so qualified, licensed, and appointed therefor under the insurance code.

Section 65. Section 642.045, Florida Statutes, is amended to read:

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

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

(2) Whenever it appears that any licensed insurance agent ~~or solicitor~~ has violated the provisions of ss. 642.011-642.049, or if any grounds listed in s. 642.041 or s. 642.043 exist as to such agent ~~or solicitor~~, the department may take such action as is authorized by the insurance code for a violation of the insurance code by such agent ~~or solicitor~~, or such action as is



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

authorized by this chapter for a violation of this chapter by a sales representative.

Section 66. Paragraph (b) of subsection (5) and subsection (9) of section 648.27, Florida Statutes, are amended to read:

648.27 Licenses and appointments; general.--

(5)

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

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



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

Section 67. Paragraph (b) of subsection (2) and subsections (5) and (6) of section 648.34, Florida Statutes, are amended to read:

648.34 Bail bond agents; qualifications.--

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

(b) The applicant is a United States citizen or legal alien who possesses work authorization from the United States Immigration and Naturalization Service and is a resident of this state. An individual who is a resident of this state shall be deemed to meet the residence requirement of this paragraph, notwithstanding the existence, at the time of application for license, of a license in the applicant's name on the records of another state as a resident licensee of such other state, if the applicant furnishes a letter of clearance satisfactory to the department that his or her resident licenses have been canceled or changed to a nonresident basis and that he or she is in good standing.

(5) The department shall conduct a comprehensive investigation of each applicant, including a background check. The investigation of the applicant's qualifications, character, experience, background, and fitness shall include submission of the applicant's fingerprints to the Department of Law Enforcement and the Federal Bureau of Investigation and consideration of any state criminal records, federal criminal



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

records, or local criminal records obtained from these agencies or from local law enforcement agencies.

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

Section 68. Paragraphs (b) and (e) of subsection (1) of section 648.355, Florida Statutes, are amended to read:

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

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

(b) The applicant is a United States citizen or legal alien who possesses work authorization from the United States Immigration and Naturalization Service and is a resident of this state. An individual who is a resident of this state shall be deemed to meet the residence requirement of this paragraph, notwithstanding the existence, at the time of application for temporary license, of a license in the individual's name on the records of another state as a resident licensee of such other state, if the applicant furnishes a letter of clearance satisfactory to the department that the individual's resident licenses have been canceled or changed to a nonresident basis and that the individual is in good standing.

(e) The applicant must be employed full-time at the time of licensure, and at all times throughout the existence of the temporary license, by only one licensed and appointed supervising bail bond agent, who supervises the work of the



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

applicant and is responsible for the licensee's conduct in the bail bond business. The applicant must be appointed by the same insurers as the supervising bail bond agent. The supervising bail bond agent shall certify monthly to the department under oath, on a form prescribed by the department, the names and hours worked each week of all temporary bail bond agents. Filing a false certification is grounds for the immediate suspension of the license and imposition of a \$5,000 administrative fine. The department may adopt rules that establish standards for the employment requirements.

Section 69. Paragraph (a) of subsection (2) and subsection (3) of section 648.382, Florida Statutes, are amended, and subsection (6) is added to that section, to read:

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

(2) Prior to any appointment, an appropriate officer or official of the appointing insurer in the case of a bail bond agent or an insurer, managing general agent, or bail bond agent in the case of a temporary bail bond agent must submit:

(a) A certified statement or affidavit to the department stating what investigation has been made concerning the proposed appointee and the proposed appointee's background and the appointing person's opinion to the best of his or her knowledge and belief as to the moral character, ~~fitness~~, and reputation of the proposed appointee. In lieu of such certified statement or affidavit, by authorizing the effectuation of an appointment for a licensee, the appointing entity certifies to the department that such investigation has been made and that the results of





ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

the investigation and the appointing person's opinion is that the proposed appointee is a person of good moral character and reputation and is fit to engage in the bail bond business;

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

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

Section 70. Section 648.383, Florida Statutes, is amended to read:

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

(1) The appointment of a bail bond agent shall continue in force unless suspended, revoked, or otherwise terminated, subject to a renewal request filed by the appointing entity in the appointee's birth month and every 24 months thereafter. A renewal request must be filed with the department or person designated by the department to administer appointments along



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

with payment of the renewal appointment fee and taxes as prescribed in s. 624.501.

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

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

(4) If the information required under subsection (2) is received ~~by the department~~ after the renewal date ~~established by the department for renewal~~, the appointment may be renewed ~~by the department~~ if the an additional appointment, late filing, continuation, and reinstatement fees accompany ~~fee accompanies~~ the application as required under s. 624.501.

Section 71. Subsections (1) and (3) of section 648.50, Florida Statutes, are amended to read:

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

(1) Upon the suspension, revocation, or refusal to renew or continue any license or appointment or the eligibility to



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

hold a license or appointment of a bail bond agent or, temporary bail bond agent, ~~or runner~~, the department shall at the same time likewise suspend or revoke all other licenses or appointments and the eligibility to hold any other such licenses or appointments which may be held by the licensee under the Florida Insurance Code.

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

Section 72. Sections 626.032 and 626.361, Florida Statutes, are repealed.

Section 73. Paragraph (d) of subsection (6) of section 627.351, Florida Statutes, is amended to read:

627.351 Insurance risk apportionment plans.--

(6) CITIZENS PROPERTY INSURANCE CORPORATION.--

(d)1. It is the intent of the Legislature that the rates for coverage provided by the corporation be actuarially sound and not competitive with approved rates charged in the admitted voluntary market, so that the corporation functions as a residual market mechanism to provide insurance only when the insurance cannot be procured in the voluntary market. Rates shall include an appropriate catastrophe loading factor that reflects the actual catastrophic exposure of the corporation.

2. For each county, the average rates of the corporation for each line of business for personal lines residential



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

policies excluding rates for wind-only policies shall be no lower than the average rates charged by the insurer that had the highest average rate in that county among the 20 insurers with the greatest total direct written premium in the state for that line of business in the preceding year, except that with respect to mobile home coverages, the average rates of the corporation shall be no lower than the average rates charged by the insurer that had the highest average rate in that county among the 5 insurers with the greatest total written premium for mobile home owner's policies in the state in the preceding year.

3. Rates for personal lines residential wind-only policies must be actuarially sound and not competitive with approved rates charged by authorized insurers. However, for personal lines residential wind-only policies issued or renewed between July 1, 2002, and June 30, 2003, the maximum premium increase must be no greater than 10 percent of the Florida Windstorm Underwriting Association premium for that policy in effect on June 30, 2002, as adjusted for coverage changes and seasonal occupancy surcharges. For personal lines residential wind-only policies issued or renewed between July 1, 2003, and June 30, 2004, the corporation shall use its existing filed and approved wind-only rating and classification plans, provided, however, that the maximum premium increase must be no greater than 20 percent of the premium for that policy in effect on June 30, 2003, as adjusted for coverage changes and seasonal occupancy surcharges. ~~The personal lines residential wind-only rates for the corporation effective July 1, 2003, must be based on a rate filing by the corporation which establishes rates which are~~



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

~~actuarially sound and not competitive with approved rates charged by authorized insurers.~~ Corporation rate manuals shall include a rate surcharge for seasonal occupancy. To ensure that personal lines residential wind-only rates effective on or after July 1, 2004 ~~2003~~, are not competitive with approved rates charged by authorized insurers, the corporation, in conjunction with the office, shall develop a wind-only rate making methodology, which methodology shall be contained in a rate filing made by the corporation with the office by January 1, 2004. If the office thereafter determines that the wind-only rates or rating factors filed by the corporation fail to comply with the wind-only rate making methodology provided for in this subsection, it shall so notify the corporation and require the corporation to amend its rates or rating factors to come into compliance within 90 days of notice from the office. The office shall report to the Speaker of the House of Representatives and the President of the Senate on the provisions of the wind-only rate making methodology by January 31, 2004 ~~the department, by March 1 of each year, shall provide the corporation, for each county in which there are geographical areas in which personal lines residential wind-only policies may be issued, the average rates charged by the insurer that had the highest average rate in that county for wind coverage in that insurer's rating territories which most closely approximate the geographical area in that county in which personal lines residential wind-only policies may be written by the corporation. The average rates provided must be from an insurer among the 20 insurers with the greatest total direct written premium in the state for personal~~



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

~~lines residential property insurance for the preceding year. With respect to mobile homes, the five insurers with the greatest total written premium for that line of business in the preceding year shall be used. The corporation shall certify to the department that its average personal lines residential wind-only rates are no lower in each county than the average rates provided by the department. The department is authorized to adopt rules to establish reporting requirements to obtain the necessary wind-only rate information from insurers to implement this provision.~~

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

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

6. The corporation shall certify to the office at least twice annually that its personal lines rates comply with the requirements of subparagraphs 1. and 2. If any adjustment in the rates or rating factors of the corporation is necessary to ensure such compliance, the corporation shall make and implement such adjustments and file its revised rates and rating factors with the office. If the office thereafter determines that the revised rates and rating factors fail to comply with the provisions of subparagraphs 1. and 2, it shall notify the corporation and require the corporation to amend its rates or rating factors in conjunction with its next rate filing. The office must notify the corporation by electronic means of any



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

rate filing it approves for any insurer among the insurers referred to in subparagraph 2 ~~make a rate filing at least once a year, but no more often than quarterly.~~

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

8.a To assist the corporation in developing additional ratemaking methods to assure compliance with subparagraphs 1. and 4., the corporation shall appoint a rate methodology panel consisting of one person recommended by the Florida Association of Insurance Agents, one person recommended by the Professional Insurance Agents of Florida, one person recommended by the Florida Association of Insurance and Financial Advisors, one person recommended by the insurer with the highest voluntary market share of residential property insurance business in the state, one person recommended by the insurer with the second-highest voluntary market share of residential property insurance business in the state, one person recommended by an insurer writing commercial residential property insurance in this state, one person recommended by the Office of Insurance Regulation, and one board member designated by the board chairman, who shall serve as chairman of the panel.

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



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

coverage for policyholders or applicants to the corporation is sufficient to comply with subparagraph 1.

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

d. The plan must include a provision that producer commissions paid by the corporation shall not be calculated in such a manner as to include any rate-equalization surcharge. However, without regard to the plan to be developed or its implementation, producer commissions paid by the corporation for each account, other than the quota share primary program, shall remain fixed as to percentage, effective rate, calculation, and payment method until January 1, 2004.

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

Section 74. Section 624.105, Florida Statutes, is created to read:





ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

624.105 Waiver of customer liability.--Any regulated company as defined in s. 350.111, any electric utility as defined in s. 366.02(2), any utility as defined in s. 367.021(12) or s.367.022(2) and (7), and any provider of communications services as defined in s. 202.11(3) may charge for and include an optional waiver of liability provision in their customer contracts under which the entity agrees to waive all or a portion of the customer's liability for service from the entity for a defined period in the event of the customer's call to active military service, death, disability, involuntary unemployment, qualification for family leave, or similar qualifying event or condition. Such provisions may not be effective in the customer's contract with the entity unless affirmatively elected by the customer. No such provision shall constitute insurance so long as the provision is a contract between the entity and its customer.

Section 75. Section 717.1071, Florida Statutes, is created to read:

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

(1) Property distributable in the course of a demutualization, rehabilitation, or related reorganization of an insurance company is deemed abandoned 2 years after the date the property is first distributable if, at the time of the first distribution, the last known address of the owner on the books and records of the holder is known to be incorrect or the distribution or statements are returned by the post office as undeliverable; and the owner has not communicated in writing



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

with the holder or its agent regarding the interest or otherwise communicated with the holder regarding the interest as evidenced by a memorandum or other record on file with the holder or its agent.

(2) Property distributable in the course of demutualization, rehabilitation, or related reorganization of a mutual insurance company that is not subject to subsection (1) shall be reportable as otherwise provided by this chapter.

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

Section 76. Subsection (8) of section 624.430, Florida Statutes, is renumbered as subsection (9), and new subsection (8) is added to said section, to read:

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

(8) Notwithstanding subsection (7), any insurer desiring to surrender its certificate of authority, withdraw from this state, or discontinue the writing of any one or multiple kinds or lines of insurance in this state is expected to have availed itself of all reasonably available reinsurance. Reasonably available reinsurance shall include unrealized reinsurance, which is defined as reinsurance recoverable on known losses incurred and due under valid reinsurance contracts that have not been identified in the normal course of business and have not been reported in financial statements filed with the Office of Insurer Regulation. Within 90 days after surrendering its



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

certificate of authority, withdrawing from this state, or discontinuing the writing of any one or multiple kinds or lines of insurance in this state, the insurer shall certify to the Director of the Office of Insurer Regulation that the insurer has engaged an independent third party to search for unrealized reinsurance, and that the insurer has made all relevant books and records available to such third party. The compensation to such third party may be a percentage of unrealized reinsurance identified and collected.

Section 77. Subsection (11) of section 626.7451, Florida Statutes, is amended to read:

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

(11) A licensed managing general agent, when placing business with an insurer under this code, may charge a per-policy fee not to exceed \$40 ~~\$25~~. In no instance shall the aggregate of per-policy fees for a placement of business authorized under this section, when combined with any other per-policy fee charged by the insurer, result in per-policy fees which exceed the aggregate amount of \$40 ~~\$25~~. The per-policy fee shall be a component of the insurer's rate filing and shall be fully earned. A managing general agent that collects a per-policy fee shall remit a minimum of \$5 per policy to the



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

Division of Insurance Fraud of the Department of Financial Services, which shall be dedicated to the prevention and detection of motor vehicle insurance fraud, and an additional \$5 per policy, 95 percent of which shall be remitted to the Justice Administration Commission, which shall distribute the collected fees to the state attorneys of the 20 judicial circuits for investigating and prosecuting cases of motor vehicle insurance fraud. The state attorneys must adopt an allocation formula that ensures equitable distribution among the 20 circuits which includes, but is not limited to, the population area served. The remaining 5 percent shall be remitted to the Office of Statewide Prosecution for investigating and prosecuting cases of motor vehicle insurance fraud. No later than July 1, 2005, the state attorneys and the Office of Statewide Prosecutor must provide a report to the President of the Senate and the Speaker of the House of Representatives evaluating the effectiveness of the investigation, detection, and prosecution of motor vehicle insurance fraud as it related to the moneys generated by the per-policy fee.

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

Section 78. Section 624.4623, Florida Statutes, is created to read:



ENROLLED  
 HB 0513, Engrossed 2

2003 Legislature

624.4623 Independent Educational Institution Self-Insurance Funds--

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

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

(b) Maintain a continuing program of excess insurance coverage and reserve evaluation to protect the financial stability of the fund in an amount and manner determined by a qualified and independent actuary;

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

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

(2) An independent educational institution self-insurance fund that meets the requirements of this section is not subject to s. 624.4621 and is not required to file any report with the department under s. 440.38(2)(b) which is uniquely required of group self-insurer funds qualified under s. 624.4621. If any of



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

the requirements of this section are not met, the independent educational self-insurance fund is subject to the requirements of s. 624.4621.

Section 79. Present subsections (6), (7), (8), (9), and (10) are renumbered (7), (8), (9), (10), and (11), respectively, and new subsection (6) is added to section 624.81, Florida Statutes, to read:

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

(6) Any insurer subject to administrative supervision is expected to avail itself of all reasonably available reinsurance. Reasonably available reinsurance shall include unrealized reinsurance, which is defined as reinsurance recoverable on known losses incurred and due under valid reinsurance contracts that have not been identified in the normal course of business and have not been reported in financial statements filed with the Office of Insurance Regulation. Within 90 days of being placed under administrative supervision, the insurer shall certify to the Director of the Office of Insurance Regulation that the insurer has engaged an independent third party to search for unrealized reinsurance, and that the insurer has made all relevant books and records available to the third party. The compensation to the third party may be a percentage of unrealized reinsurance identified and collected.

(7)~~(6)~~ If the department and the insurer are unable to agree on the provisions of the plan, the department may require the insurer to take such corrective action as may be reasonably



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

necessary to remove the causes and conditions giving rise to the need for administrative supervision.

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

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

(10)~~(9)~~ If it is determined that the conditions giving rise to administrative supervision have been remedied so that the continuance of its business is no longer hazardous to the public or to its insureds, the department shall release the insurer from supervision.

(11)~~(10)~~ The department may adopt rules to define standards of hazardous financial condition and corrective action substantially similar to that indicated in the National Association of Insurance Commissioners' 1997 "Model Regulation to Define Standards and Commissioner's Authority for Companies



ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

Deemed to be in Hazardous Financial Condition," which are necessary to implement the provisions of this part.

Section 80. Paragraph (x) of subsection (1) of section 626.9541, Florida Statutes, is amended to read:

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

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

(x) Refusal to insure.--In addition to other provisions of this code, the refusal to insure, or continue to insure, any individual or risk solely because of:

1. Race, color, creed, marital status, sex, or national origin;
2. The residence, age, or lawful occupation of the individual or the location of the risk, unless there is a reasonable relationship between the residence, age, or lawful occupation of the individual or the location of the risk and the coverage issued or to be issued;
3. The insured's or applicant's failure to agree to place collateral business with any insurer, unless the coverage applied for would provide liability coverage which is excess over that provided in policies maintained on property or motor vehicles;
4. The insured's or applicant's failure to purchase noninsurance services or commodities, including automobile services as defined in s. 624.124; ~~or~~





ENROLLED  
HB 0513, Engrossed 2

2003 Legislature

5. The fact that the insured or applicant is a public official; or

~~6.5-~~ The fact that the insured or applicant had been previously refused insurance coverage by any insurer, when such refusal to insure or continue to insure for this reason occurs with such frequency as to indicate a general business practice.

Section 81. This act shall take effect upon becoming a law.