



1                   A bill to be entitled  
2           An act relating to warranty association regulation;  
3           amending ss. 634.031, 634.303, and 634.403, F.S.;  
4           exempting affiliates of insurers from provisions  
5           regulating certain warranty associations, under certain  
6           circumstances; requiring certain insurers to be the direct  
7           obligor on certain agreements or warranties or issue a  
8           contractual liability insurance policy meeting certain  
9           requirements; providing for nonapplication of the  
10          exemptions under certain circumstances; providing an  
11          effective date.

12  
13 Be It Enacted by the Legislature of the State of Florida:

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15           Section 1. Subsection (5) is added to section 634.031,  
16 Florida Statutes, to read:

17           634.031 License required.--

18           (5) Any person that is an affiliate of a domestic insurer  
19 as defined in chapter 624 is exempt from application of this  
20 part if the person does not issue, or market or cause to be  
21 marketed, motor vehicle service agreements to residents of this  
22 state and does not administer motor vehicle service agreements  
23 that were originally issued to residents of this state. The  
24 domestic insurer or its wholly owned Florida licensed insurer  
25 must be the direct obligor of all motor vehicle service  
26 agreements issued by such affiliate or must issue a contractual  
27 liability insurance policy to such affiliate that meets the  
28 conditions described in s. 634.041(8)(b). If the Office of



29 Insurance Regulation determines, after notice and opportunity  
30 for a hearing, that a person's intentional business practices do  
31 not comply with any of the exemption requirements of this  
32 subsection, the person shall be subject to this part.

33 Section 2. Subsection (3) is added to section 634.303,  
34 Florida Statutes, to read:

35 634.303 License required.--

36 (3) Any person that is an affiliate of a domestic insurer  
37 as defined in chapter 624 is exempt from application of this  
38 part if the person does not issue, or market or cause to be  
39 marketed, home warranties to residents of this state and does  
40 not administer home warranties that were originally issued to  
41 residents of this state. The domestic insurer or its wholly  
42 owned Florida licensed insurer must be the direct obligor of all  
43 home warranties issued by such affiliate or must issue a  
44 contractual liability insurance policy to such affiliate that  
45 meets the conditions described in s. 634.3077(3). If the Office  
46 of Insurance Regulation determines, after notice and opportunity  
47 for a hearing, that a person's intentional business practices do  
48 not comply with any of the exemption requirements of this  
49 subsection, the person shall be subject to this part.

50 Section 3. Subsection (4) is added to section 634.403,  
51 Florida Statutes, to read:

52 634.403 License required.--

53 (4) Any person that is an affiliate of a domestic insurer  
54 as defined in chapter 624 is exempt from application of this  
55 part if the person does not issue, or market or cause to be  
56 marketed, service warranties to residents of this state and does



57 not administer service warranties that were originally issued to  
58 residents of this state. The domestic insurer or its wholly  
59 owned Florida licensed insurer must be the direct obligor of all  
60 service warranties issued by such affiliate or must issue a  
61 contractual liability insurance policy to such affiliate that  
62 meets the conditions described in s. 634.406(3). If the Office  
63 of Insurance Regulation determines, after notice and opportunity  
64 for a hearing, that a person's intentional business practices do  
65 not comply with any of the exemption requirements of this  
66 subsection, the person shall be subject to this part.

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