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A bill to be entitled

An act relating to regulation of insurance adjusters; transferring regulation of insurance adjusters from the Office of Insurance Regulation to the Department of Financial Services; amending ss. 20.121, 110.1227, 408.05, 501.212, 516.35, 624.313, 624.317, 624.501, 626.016, 626.112, 626.161, 626.171, 626.181, 626.191, 626.211, 626.221, 626.231, 626.241, 626.251, 626.261, 626.266, 626.271, 626.281, 626.2817, 626.291, 626.301, 626.371, 626.381, 626.431, 626.461, 626.471, 626.521, 626.541, 626.551, 626.611, 626.621, 626.631, 626.641, 626.661, 626.681, 626.691, 626.692, 626.8582, 626.8584, 626.859, 626.863, 626.865, 626.866, 626.867, 626.869, 626.8695, 626.8696, 626.8697, 626.8698, 626.870, 626.871, 626.872, 626.873, 626.8732, 626.8734, 626.8736, 626.8738, 626.874, 626.878, 627.7012, 626.9543, 626.989, 627.0628, 627.285, and 627.6699, F.S.; reallocating duties and responsibilities of the department, the office, and the Financial Services Commission to conform; reallocating duties and responsibilities of the director of the office and the Chief Financial Officer to conform; specifying that the transfer does not affect the regulation of adjusters in administrative or judicial proceedings; providing for substitution of appropriate parties in interest in such proceedings; preserving certain licenses, forms, and actions; specifying application of rules of the office regulating adjusters as rules of the department; providing an effective date.

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

31

32 Section 1. Paragraph (a) of subsection (3) of section  
 33 20.121, Florida Statutes, is amended to read:

34 20.121 Department of Financial Services.--There is created  
 35 a Department of Financial Services.

36 (3) FINANCIAL SERVICES COMMISSION.--Effective January 7,  
 37 2003, there is created within the Department of Financial  
 38 Services the Financial Services Commission, composed of the  
 39 Governor, the Attorney General, the Chief Financial Officer, and  
 40 the Commissioner of Agriculture, which shall for purposes of  
 41 this section be referred to as the commission. Commission  
 42 members shall serve as agency head of the Financial Services  
 43 Commission. The commission shall be a separate budget entity and  
 44 shall be exempt from the provisions of s. 20.052. Commission  
 45 action shall be by majority vote consisting of at least three  
 46 affirmative votes. The commission shall not be subject to  
 47 control, supervision, or direction by the Department of  
 48 Financial Services in any manner, including purchasing,  
 49 transactions involving real or personal property, personnel, or  
 50 budgetary matters.

51 (a) Structure.--The major structural unit of the  
 52 commission is the office. Each office shall be headed by a  
 53 director. The following offices are established:

54 1. The Office of Insurance Regulation, which shall be  
 55 responsible for all activities concerning insurers and other  
 56 risk bearing entities, including licensing, rates, policy forms,  
 57 market conduct, claims, ~~adjusters~~, issuance of certificates of  
 58 authority, solvency, viatical settlements, premium financing,

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59 and administrative supervision, as provided under the insurance  
 60 code or chapter 636. The head of the Office of Insurance  
 61 Regulation is the Director of the Office of Insurance  
 62 Regulation.

63 2. The Office of Financial Regulation, which shall be  
 64 responsible for all activities of the Financial Services  
 65 Commission relating to the regulation of banks, credit unions,  
 66 other financial institutions, finance companies, and the  
 67 securities industry. The head of the office is the Director of  
 68 the Office of Financial Regulation. The Office of Financial  
 69 Regulation shall include a Bureau of Financial Investigations,  
 70 which shall function as a criminal justice agency for purposes  
 71 of ss. 943.045-943.08 and shall have a separate budget. The  
 72 bureau may conduct investigations within or outside this state  
 73 as the bureau deems necessary to aid in the enforcement of this  
 74 section. If, during an investigation, the office has reason to  
 75 believe that any criminal law of this state has or may have been  
 76 violated, the office shall refer any records tending to show  
 77 such violation to state or federal law enforcement or  
 78 prosecutorial agencies and shall provide investigative  
 79 assistance to those agencies as required.

80 Section 2. Paragraph (b) of subsection (6) of section  
 81 110.1227, Florida Statutes, is amended to read:

82 110.1227 Florida Employee Long-Term-Care Plan Act.--

83 (6) A Florida Employee Long-Term-Care Plan Board of  
 84 Directors is created, composed of nine members who shall serve  
 85 2-year terms, to be appointed after May 1, 1999, as follows:

86 (b) The Director of the Office of Insurance Regulation  
 87 ~~Chief Financial Officer~~ shall appoint an actuary.

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88 Section 3. Paragraph (a) of subsection (8) of section  
89 408.05, Florida Statutes, is amended to read:

90 408.05 State Center for Health Statistics.--

91 (8) STATE COMPREHENSIVE HEALTH INFORMATION SYSTEM ADVISORY  
92 COUNCIL.--

93 (a) There is established in the agency the State  
94 Comprehensive Health Information System Advisory Council to  
95 assist the center in reviewing the comprehensive health  
96 information system and to recommend improvements for such  
97 system. The council shall consist of the following members:

98 1. An employee of the Executive Office of the Governor, to  
99 be appointed by the Governor.

100 2. An employee of the Office of Insurance Regulation  
101 ~~Department of Financial Services~~, to be appointed by the  
102 director of the office ~~Chief Financial Officer~~.

103 3. An employee of the Department of Education, to be  
104 appointed by the Commissioner of Education.

105 4. Ten persons, to be appointed by the Secretary of Health  
106 Care Administration, representing other state and local  
107 agencies, state universities, the Florida Association of  
108 Business/Health Coalitions, local health councils, professional  
109 health-care-related associations, consumers, and purchasers.

110 Section 4. Subsection (4) of section 501.212, Florida  
111 Statutes, is amended to read:

112 501.212 Application.--This part does not apply to:

113 (4) Any person or activity regulated under laws  
114 administered by:

115 (a) The ~~Department of Financial Services or the Office of~~  
116 Insurance Regulation of the Financial Services Commission; ~~or~~

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117        (b) Banks and savings and loan associations regulated by  
 118 the Office of Financial Regulation of the Financial Services  
 119 Commission; ~~or~~

120        (c) Banks or savings and loan associations regulated by  
 121 federal agencies; or

122        (d) Any person or activity regulated under the laws  
 123 administered by the former Department of Insurance that are now  
 124 administered by the Department of Financial Services.

125            Section 5. Subsection (1) of section 516.35, Florida  
 126 Statutes, is amended to read:

127            516.35 Credit insurance must comply with credit insurance  
 128 act.--

129            (1) Tangible property offered as security may be  
 130 reasonably insured against loss for a reasonable term,  
 131 considering the circumstances of the loan. If such insurance is  
 132 sold at standard rates through a person duly licensed by the  
 133 ~~Department Office of Insurance Regulation of the Financial~~  
 134 ~~Services Commission~~ and if the policy is payable to the borrower  
 135 or any member of her or his family, it shall not be deemed to be  
 136 a collateral sale, purchase, or agreement even though a  
 137 customary mortgagee clause is attached or the licensee is a  
 138 coassured.

139            Section 6. Subsection (2) of section 624.313, Florida  
 140 Statutes, is amended to read:

141            624.313 Publications.--

142            (2)~~(a)~~ The department may prepare and have printed and  
 143 published in pamphlet or book form the following, as needed:

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144        (a)1. ~~As needed,~~ Questions and answers for the use of  
 145 persons applying for an examination for licensing as agents for  
 146 property, casualty, surety, health, and miscellaneous insurers.

147        (b)2. ~~As needed,~~ Questions and answers for the use of  
 148 persons applying for an examination for licensing as agents for  
 149 life and health insurers.

150        (c)(b) ~~The office may prepare and have printed and~~  
 151 ~~published in pamphlet or book form,~~ ~~As needed,~~ Questions and  
 152 answers for the use of persons applying for an examination for  
 153 licensing as adjusters.

154        Section 7. Section 624.317, Florida Statutes, is amended  
 155 to read:

156        624.317 Investigation of agents, adjusters,  
 157 administrators, service companies, and others.--If it has reason  
 158 to believe that any person has violated or is violating any  
 159 provision of this code, or upon the written complaint signed by  
 160 any interested person indicating that any such violation may  
 161 exist:

162        (1) The department shall conduct such investigation as it  
 163 deems necessary of the accounts, records, documents, and  
 164 transactions pertaining to or affecting the insurance affairs of  
 165 any general agent, adjuster, surplus line agent, managing  
 166 general agent, insurance agent, customer representative, service  
 167 representative, or other person subject to its jurisdiction,  
 168 subject to the requirements of s. 626.601.

169        (2) The office shall conduct such investigation as it  
 170 deems necessary of the accounts, records, documents, and  
 171 transactions pertaining to or affecting the insurance affairs of  
 172 any:

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173 (a) ~~Adjuster,~~ Administrator, service company, or other  
 174 person subject to its jurisdiction.

175 (b) Person having a contract or power of attorney under  
 176 which she or he enjoys in fact the exclusive or dominant right  
 177 to manage or control an insurer.

178 (c) Person engaged in or proposing to be engaged in the  
 179 promotion or formation of:

- 180 1. A domestic insurer;
- 181 2. An insurance holding corporation; or
- 182 3. A corporation to finance a domestic insurer or in the  
 183 production of the domestic insurer's business.

184 Section 8. Subsection (12) of section 624.501, Florida  
 185 Statutes, is amended to read:

186 624.501 Filing, license, appointment, and miscellaneous  
 187 fees.--The department, commission, or office, as appropriate,  
 188 shall collect in advance, and persons so served shall pay to it  
 189 in advance, fees, licenses, and miscellaneous charges as  
 190 follows:

191 (12) Adjusters:

192 (a) Adjuster's original appointment and biennial renewal  
 193 or continuation thereof, appointment fee  
 194 \$60.00

195 (b) Nonresident adjuster's original appointment and  
 196 biennial renewal or continuation thereof, appointment fee  
 197 \$60.00

198 (c) Emergency adjuster's license, appointment fee  
 199 \$10.00

200 (d) Fee to cover actual cost of credit report, when such  
 201 report must be secured by department ~~office~~.

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202 Section 9. Subsections (1) and (2) of section 626.016,  
 203 Florida Statutes, are amended to read:

204 626.016 Powers and duties of department, commission, and  
 205 office.--

206 (1) The powers and duties of the Chief Financial Officer  
 207 and the department specified in this part apply only with  
 208 respect to insurance agents, managing general agents, insurance  
 209 adjusters, reinsurance intermediaries, viatical settlement  
 210 brokers, customer representatives, service representatives, and  
 211 agencies.

212 (2) The powers and duties of the commission and office  
 213 specified in this part apply only with respect to ~~insurance~~  
 214 ~~adjusters~~, service companies, administrators, and viatical  
 215 settlement providers and contracts.

216 Section 10. Paragraph (a) of subsection (1) of section  
 217 626.112, Florida Statutes, is amended to read:

218 626.112 License and appointment required; agents, customer  
 219 representatives, adjusters, insurance agencies, service  
 220 representatives, managing general agents.--

221 (1)(a) No person may be, act as, or advertise or hold  
 222 himself or herself out to be an insurance agent, insurance  
 223 adjuster, or customer representative unless he or she is  
 224 currently licensed by the department and appointed by an  
 225 appropriate appointing entity or person ~~one or more insurers~~. ~~No~~  
 226 ~~person may be, act as, or advertise or hold himself or herself~~  
 227 ~~out to be an insurance adjuster unless he or she is currently~~  
 228 ~~licensed by the office and appointed by one or more insurers.~~

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230 However, an employee leasing company licensed pursuant to  
231 chapter 468 which is seeking to enter into a contract with an  
232 employer that identifies products and services offered to  
233 employees may deliver proposals for the purchase of employee  
234 leasing services to prospective clients of the employee leasing  
235 company setting forth the terms and conditions of doing  
236 business; classify employees as permitted by s. 468.529; collect  
237 information from prospective clients and other sources as  
238 necessary to perform due diligence on the prospective client and  
239 to prepare a proposal for services; provide and receive  
240 enrollment forms, plans, and other documents; and discuss or  
241 explain in general terms the conditions, limitations, options,  
242 or exclusions of insurance benefit plans available to the client  
243 or employees of the employee leasing company were the client to  
244 contract with the employee leasing company. Any advertising  
245 materials or other documents describing specific insurance  
246 coverages must identify and be from a licensed insurer or its  
247 licensed agent or a licensed and appointed agent employed by the  
248 employee leasing company. The employee leasing company may not  
249 advise or inform the prospective business client or individual  
250 employees of specific coverage provisions, exclusions, or  
251 limitations of particular plans. As to clients for which the  
252 employee leasing company is providing services pursuant to s.  
253 468.525(4), the employee leasing company may engage in  
254 activities permitted by ss. 626.7315, 626.7845, and 626.8305,  
255 subject to the restrictions specified in those sections. If a  
256 prospective client requests more specific information concerning  
257 the insurance provided by the employee leasing company, the  
258 employee leasing company must refer the prospective business

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259 client to the insurer or its licensed agent or to a licensed and  
 260 appointed agent employed by the employee leasing company.

261 Section 11. Section 626.161, Florida Statutes, is amended  
 262 to read:

263 626.161 Licensing forms.--The department shall prescribe  
 264 and furnish all printed forms required in connection with the  
 265 application for issuance of and termination of all licenses and  
 266 appointments, ~~except that, with respect to adjusters, the~~  
 267 ~~commission shall prescribe and the office shall furnish such~~  
 268 ~~forms.~~

269 Section 12. Subsection (1), paragraph (f) of subsection  
 270 (2), and subsection (5) of section 626.171, Florida Statutes,  
 271 are amended to read:

272 626.171 Application for license.--

273 (1) The department ~~or office~~ shall not issue a license as  
 274 agent, customer representative, adjuster, insurance agency,  
 275 service representative, managing general agent, or reinsurance  
 276 intermediary to any person except upon written application  
 277 therefor filed with it, qualification therefor, and payment in  
 278 advance of all applicable fees. Any such application shall be  
 279 made under the oath of the applicant and be signed by the  
 280 applicant. Beginning November 1, 2002, the department shall  
 281 accept the uniform application for nonresident agent licensing.  
 282 The department may adopt revised versions of the uniform  
 283 application by rule.

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

285 (f) Such other or additional information as the department  
 286 ~~or office~~ may deem proper to enable it to determine the  
 287 character, experience, ability, and other qualifications of the

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288 applicant to hold himself or herself out to the public as an  
 289 insurance representative.

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

303 Section 13. Section 626.181, Florida Statutes, is amended  
 304 to read:

305 626.181 Number of applications for licensure  
 306 required.--After a license as agent, customer representative, or  
 307 adjuster has been issued to an individual, the same individual  
 308 shall not be required to take another examination for a similar  
 309 license, regardless, in the case of an agent, of the number of  
 310 insurers to be represented by him or her as agent, unless:

311 (1) Specifically ordered by the department ~~or office~~ to  
 312 complete a new application for license; or

313 (2) During any period of 48 months since the filing of the  
 314 original license application, such individual was not appointed  
 315 as an agent, customer representative, or adjuster, unless the  
 316 failure to be so appointed was due to military service, in which

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317 event the period within which a new application is not required  
 318 may, in the discretion of the department ~~or office~~, be extended  
 319 to 12 months following the date of discharge from military  
 320 service if the military service does not exceed 3 years, but in  
 321 no event to extend under this clause for a period of more than 6  
 322 years from the date of filing of the original application for  
 323 license.

324 Section 14. Section 626.191, Florida Statutes, is amended  
 325 to read:

326 626.191 Repeated applications.--The failure of an  
 327 applicant to secure a license upon an application shall not  
 328 preclude him or her from applying again as many times as  
 329 desired, but the department ~~or office~~ shall not give  
 330 consideration to or accept any further application by the same  
 331 individual for a similar license dated or filed within 30 days  
 332 subsequent to the date the department ~~or office~~ denied the last  
 333 application, except as provided in s. 626.281.

334 Section 15. Section 626.211, Florida Statutes, is amended  
 335 to read:

336 626.211 Approval, disapproval of application.--

337 (1) If upon the basis of a completed application for  
 338 license and such further inquiry or investigation as the  
 339 department ~~or office~~ may make concerning an applicant the  
 340 department ~~or office~~ is satisfied that, subject to any  
 341 examination required to be taken and passed by the applicant for  
 342 a license, the applicant is qualified for the license applied  
 343 for and that all pertinent fees have been paid, it shall approve  
 344 the application. The department ~~or office~~ shall not deny, delay,  
 345 or withhold approval of an application due to the fact that it

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346 has not received a criminal history report based on the  
 347 applicant's fingerprints.

348 (2) Upon approval of an applicant for license as agent,  
 349 customer representative, or adjuster who is subject to written  
 350 examination, the department ~~or office~~ shall notify the applicant  
 351 when and where he or she may take the required examination.

352 (3) Upon approval of an applicant for license who is not  
 353 subject to examination, the department ~~or office~~ shall promptly  
 354 issue the license.

355 (4) If upon the basis of the completed application and  
 356 such further inquiry or investigation the department ~~or office~~  
 357 deems the applicant to be lacking in any one or more of the  
 358 required qualifications for the license applied for, the  
 359 department ~~or office~~ shall disapprove the application and notify  
 360 the applicant, stating the grounds of disapproval.

361 Section 16. Subsection (1) and paragraphs (a), (c), (d),  
 362 (f), (g), and (l) of subsection (2) of section 626.221, Florida  
 363 Statutes, are amended to read:

364 626.221 Examination requirement; exemptions.--

365 (1) The department ~~or office~~ shall not issue any license  
 366 as agent, customer representative, or adjuster to any individual  
 367 who has not qualified for, taken, and passed to the satisfaction  
 368 of the department ~~or office~~ a written examination of the scope  
 369 prescribed in s. 626.241.

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

372 (a) An applicant for renewal of appointment as an agent,  
 373 customer representative, or adjuster, unless the department ~~or~~

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374 ~~office~~ determines that an examination is necessary to establish  
 375 the competence or trustworthiness of such applicant.

376 (c) In the discretion of the department ~~or office~~, an  
 377 applicant for reinstatement of license or appointment as an  
 378 agent, customer representative, or adjuster whose license has  
 379 been suspended within 2 years prior to the date of application  
 380 or written request for reinstatement.

381 (d) An applicant who, within 2 years prior to application  
 382 for license and appointment as an agent, customer  
 383 representative, or adjuster, was a full-time salaried employee  
 384 of the department ~~or office~~ and had continuously been such an  
 385 employee with responsible insurance duties for not less than 2  
 386 years and who had been a licensee within 2 years prior to  
 387 employment by the department ~~or office~~ with the same class of  
 388 license as that being applied for.

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

398 (g) A person who has been licensed as an adjuster for  
 399 motor vehicle, property and casualty, workers' compensation, and  
 400 health insurance may be licensed as such an adjuster without  
 401 additional written examination if his or her application for

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402 appointment is filed with the department ~~office~~ within 48 months  
 403 after cancellation or expiration of the prior license.

404 (1) An applicant for license as an adjuster who has the  
 405 designation of Accredited Claims Adjuster (ACA) from a  
 406 regionally accredited postsecondary institution in this state,  
 407 or the designation of Professional Claims Adjuster (PCA) from  
 408 the Professional Career Institute, whose curriculum has been  
 409 approved by the department ~~office~~ and whose curriculum includes  
 410 comprehensive analysis of basic property and casualty lines of  
 411 insurance and testing at least equal to that of standard  
 412 department ~~office~~ testing for the all-lines adjuster license.  
 413 The department ~~commission~~ shall adopt rules establishing  
 414 standards for the approval of curriculum.

415 Section 17. Section 626.231, Florida Statutes, is amended  
 416 to read:

417 626.231 Eligibility for examination.--No person shall be  
 418 permitted to take an examination for license until his or her  
 419 application for the license has been approved and the required  
 420 fees have been received by the department ~~or office~~ or a person  
 421 designated by the department ~~or office~~ to administer the  
 422 examination.

423 Section 18. Subsection (1) of section 626.241, Florida  
 424 Statutes, is amended to read:

425 626.241 Scope of examination.--

426 (1) Each examination for a license as agent, customer  
 427 representative, or adjuster shall be of such scope as is deemed  
 428 by the department ~~or office~~ to be reasonably necessary to test  
 429 the applicant's ability and competence and knowledge of the  
 430 kinds of insurance and transactions to be handled under the

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431 license applied for, of the duties and responsibilities of such  
 432 a licensee, and of the pertinent provisions of the laws of this  
 433 state.

434 Section 19. Section 626.251, Florida Statutes, is amended  
 435 to read:

436 626.251 Time and place of examination; notice.--

437 (1) The department ~~or office~~ or a person designated by the  
 438 department ~~or office~~ shall mail written notice of the time and  
 439 place of the examination to each applicant for license required  
 440 to take an examination who will be eligible to take the  
 441 examination as of the examination date. The notice shall be so  
 442 mailed, postage prepaid, and addressed to the applicant at his  
 443 or her address shown on the application for license or at such  
 444 other address as requested by the applicant in writing filed  
 445 with the department ~~or office~~ prior to the mailing of the  
 446 notice. Notice shall be deemed given when so mailed.

447 (2) The examination shall be held in an adequate and  
 448 designated examination center in this state.

449 (3) The department ~~or office~~ shall make an examination  
 450 available to the applicant, to be taken as soon as reasonably  
 451 possible after the applicant is eligible therefor. Any  
 452 examination required under this part shall be available in this  
 453 state at a designated examination center.

454 Section 20. Section 626.261, Florida Statutes, is amended  
 455 to read:

456 626.261 Conduct of examination.--

457 (1) The applicant for license shall appear in person and  
 458 personally take the examination for license at the time and



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459 place specified by the department ~~or office~~ or by a person  
 460 designated by the department ~~or office~~.

461 (2) The examination shall be conducted by an employee of  
 462 the department ~~or office~~ or a person designated by the  
 463 department ~~or office~~ for that purpose.

464 (3) The questions propounded shall be as prepared by the  
 465 department ~~or office~~, or by a person designated by the  
 466 department ~~or office~~ for that purpose, consistent with the  
 467 applicable provisions of this code.

468 (4) All examinations shall be given and graded in a fair  
 469 and impartial manner and without unfair discrimination in favor  
 470 of or against any particular applicant.

471 Section 21. Section 626.266, Florida Statutes, is amended  
 472 to read:

473 626.266 Printing of examinations or related materials to  
 474 preserve examination security.--A contract let for the  
 475 development, administration, or grading of examinations or  
 476 related materials by the department ~~or office~~ pursuant to the  
 477 various agent, customer representative, or adjuster licensing  
 478 and examination provisions of this code may include the printing  
 479 or furnishing of these examinations or related materials in  
 480 order to preserve security. Any such contract shall be let as a  
 481 contract for a contractual service pursuant to s. 287.057.

482 Section 22. Subsection (1) of section 626.271, Florida  
 483 Statutes, is amended to read:

484 626.271 Examination fee; determination, refund.--

485 (1) Prior to being permitted to take an examination, each  
 486 applicant who is subject to examination shall pay to the  
 487 department ~~or office~~ or a person designated by the department ~~or~~

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488 ~~office~~ an examination fee. A separate and additional examination  
 489 fee shall be payable for each separate class of license applied  
 490 for, notwithstanding that all such examinations are taken on the  
 491 same date and at the same place.

492 Section 23. Section 626.281, Florida Statutes, is amended  
 493 to read:

494 626.281 Reexamination.--

495 (1) Any applicant for license who has either:

496 (a) Taken an examination and failed to make a passing  
 497 grade, or

498 (b) Failed to appear for the examination or to take or  
 499 complete the examination at the time and place specified in the  
 500 notice of the department ~~or office~~,

501  
 502 may take additional examinations, after filing with the  
 503 department ~~or office~~ an application for reexamination together  
 504 with applicable fees. The failure of an applicant to pass an  
 505 examination or the failure to appear for the examination or to  
 506 take or complete the examination does not preclude the applicant  
 507 from taking subsequent examinations.

508 (2) The department ~~or office~~ may require any individual  
 509 whose license as an agent, customer representative, or adjuster  
 510 has expired or has been suspended to pass an examination prior  
 511 to reinstating or relicensing the individual as to any class of  
 512 license. The examination fee shall be paid as to each  
 513 examination.

514 Section 24. Section 626.2817, Florida Statutes, is amended  
 515 to read:

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516           626.2817 Regulation of course providers, instructors,  
517 school officials, and monitor groups involved in prelicensure  
518 education for insurance agents and other licensees.--

519           (1) Any course provider, instructor, school official, or  
520 monitor group must be approved by and registered with the  
521 department ~~or office~~ before offering prelicensure education  
522 courses for insurance agents and other licensees.

523           (2) The department ~~or commission~~ shall adopt rules  
524 establishing standards for the approval, registration,  
525 discipline, or removal from registration of course providers,  
526 instructors, school officials, and monitor groups. The standards  
527 must be designed to ensure that such persons have the knowledge,  
528 competence, and integrity to fulfill the educational objectives  
529 of the prelicensure requirements of this chapter and chapter 648  
530 and to assure that insurance agents and licensees are competent  
531 to engage in the activities authorized under the license.

532           (3) The department ~~or commission~~ shall adopt rules to  
533 establish a process for determining compliance with the  
534 prelicensure requirements of this chapter and chapter 648. The  
535 department ~~or commission~~ shall adopt rules prescribing the forms  
536 necessary to administer the prelicensure requirements.

537           Section 25. Section 626.291, Florida Statutes, is amended  
538 to read:

539           626.291 Denial, issuance of license.--

540           (1) Within 30 days after the applicant has completed any  
541 examination required under s. 626.221, the department ~~or office~~  
542 or its designee shall provide a score report; and, if it finds  
543 that the applicant has received a passing grade, the department  
544 ~~or office~~ shall within such period notify the applicant and

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545 issue and transmit the license to which such examination  
 546 related. If it finds that the applicant did not make a passing  
 547 grade on the examination for a particular license, the  
 548 department ~~or office~~ or its designee shall within this period  
 549 provide notice to the applicant to that effect and of its denial  
 550 of the license.

551 (2) As to an applicant for a license for which no  
 552 examination is required, the department ~~or office~~ shall promptly  
 553 issue the license applied for as soon as it has approved the  
 554 application.

555 (3) The department ~~or office~~ shall not deny, delay, or  
 556 withhold issuance of a license due to the fact that it has not  
 557 received a criminal history report based on the applicant's  
 558 fingerprints.

559 Section 26. Section 626.301, Florida Statutes, is amended  
 560 to read:

561 626.301 Form and contents of licenses, in general.--Each  
 562 license issued by the department ~~or office~~ shall be in such form  
 563 as the department ~~or commission~~ may designate and contain the  
 564 licensee's name, lines of authority the licensee is authorized  
 565 to transact, the licensee's personal identification number, the  
 566 date of issuance, and any other information the department ~~or~~  
 567 ~~commission~~ deems necessary to fully identify the licensee and  
 568 the authority being granted. The department ~~or commission~~ may by  
 569 rule require photographs of applicants as a part of the  
 570 licensing process.

571 Section 27. Section 626.371, Florida Statutes, is amended  
 572 to read:

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573           626.371 Payment of fees, taxes for appointment period  
574 without appointment.--

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

579           (2) If, upon application and qualification for an initial  
580 or renewal appointment and such investigation as the department  
581 ~~or office~~ may make, it appears to the department ~~or office~~ that  
582 an individual who was formerly licensed or is currently licensed  
583 but not properly appointed to represent an insurer or employer  
584 and who has been actively engaged or is currently actively  
585 engaged as such an appointee, but without being appointed as  
586 required, the department ~~or office~~ may, if it finds that such  
587 failure to be appointed was an inadvertent error on the part of  
588 the insurer or employer so represented, nevertheless issue or  
589 authorize the issuance of the appointment as applied for but  
590 subject to the condition that, before the appointment is issued,  
591 all fees and taxes which would have been due had the applicant  
592 been so appointed during such current and prior periods, with  
593 applicable fees pursuant to s. 624.501 for such current and  
594 prior periods of appointment, shall be paid to the department ~~or~~  
595 ~~office~~.

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

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

607 Section 28. Subsections (2), (3), and (4) of section  
 608 626.381, Florida Statutes, are amended to read:

609 626.381 Renewal, continuation, reinstatement, or  
 610 termination of appointment.--

611 (2) Each appointing entity shall file with the department  
 612 ~~or office~~ the lists, statements, and information as to  
 613 appointees whose appointments are being renewed or terminated,  
 614 accompanied by payment of the applicable renewal fees and taxes  
 615 as prescribed in s. 624.501, by a date set forth by the  
 616 department ~~or office~~ following the month during which the  
 617 appointments will expire.

618 (3) Renewal of an appointment which is received by the  
 619 department ~~or office~~ or person designated by the department to  
 620 administer the appointment process prior to the expiration of an  
 621 appointment in the licensee's birth month or license issue date,  
 622 whichever applies, may be renewed by the department ~~or office~~  
 623 without penalty and shall be effective as of the first day of  
 624 the month succeeding the month in which the appointment would  
 625 have expired.

626 (4) Renewal of an appointment which is received by the  
 627 department ~~or office~~ or person designated by the department to  
 628 administer the appointment process after the renewal date may be  
 629 accepted and effectuated by the department ~~or office~~ in its

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630 discretion if the appointment, late filing, continuation, and  
 631 reinstatement fee accompanies the renewal request pursuant to s.  
 632 624.501. Late filing fees shall be paid by the appointing entity  
 633 and may not be charged to the appointee.

634 Section 29. Subsection (2) of section 626.431, Florida  
 635 Statutes, is amended to read:

636 626.431 Effect of expiration of license and appointment.--

637 (2) When a licensee's last appointment for a particular  
 638 class of insurance has been terminated or not renewed, the  
 639 department ~~or office~~ must notify the licensee that his or her  
 640 eligibility for appointment as such an appointee will expire  
 641 unless he or she is appointed prior to expiration of the 48-  
 642 month period referred to in subsection (3).

643 Section 30. Section 626.461, Florida Statutes, is amended  
 644 to read:

645 626.461 Continuation of appointment of agent or other  
 646 representative.--Subject to renewal or continuation by the  
 647 appointing entity, the appointment of the agent, adjuster,  
 648 service representative, customer representative, or managing  
 649 general agent shall continue in effect until the person's  
 650 license is revoked or otherwise terminated, unless written  
 651 notice of earlier termination of the appointment is filed with  
 652 the department ~~or office~~ or person designated by the department  
 653 to administer the appointment process by either the appointing  
 654 entity or the appointee.

655 Section 31. Subsections (2), (3), (4), and (5) of section  
 656 626.471, Florida Statutes, are amended to read:

657 626.471 Termination of appointment.--

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658 (2) As soon as possible and at all events within 30 days  
659 after terminating the appointment of an appointee, other than as  
660 to an appointment terminated by the appointing entity's failure  
661 to continue or renew it, the appointing entity shall file  
662 written notice thereof with the department ~~or office~~, together  
663 with a statement that it has given the appointee notice thereof  
664 as provided in subsection (1) and shall file with the department  
665 ~~or office~~ the reasons and facts involved in such termination as  
666 required under s. 626.511.

667 (3) Upon termination of the appointment of an appointee,  
668 whether by failure to renew or continue the appointment, the  
669 appointing entity shall:

670 (a) File with the department ~~or office~~ the information  
671 required under s. 626.511.

672 (b) Subject to the exceptions provided under subsection  
673 (1), continue the outstanding contracts transacted by an agent  
674 until the expiration date or anniversary date when the policy is  
675 a continuous policy with no expiration date. This paragraph  
676 shall not be construed to prohibit the cancellation of such  
677 contracts when not otherwise prohibited by law.

678 (4) An appointee may terminate the appointment at any time  
679 by giving written or electronic notice thereof to the appointing  
680 entity, department ~~or office~~, or person designated by the  
681 department to administer the appointment process. The department  
682 shall immediately terminate the appointment and notify the  
683 appointing entity of such termination. Such termination shall be  
684 subject to the appointee's contract rights, if any.



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

688 Section 32. Subsections (2), (3), and (5) of section  
689 626.521, Florida Statutes, are amended to read:

690 626.521 Character, credit reports.--

691 (2) If requested by the department ~~or office~~, the insurer,  
692 manager, general agent, general lines agent, or employer, as the  
693 case may be, shall furnish to the department ~~or office~~ on a form  
694 adopted by the department ~~or commission~~ and furnished by the  
695 department ~~or office~~, such information as it may reasonably  
696 require relative to such individual and investigation.

697 (3) As to an applicant for an adjuster's or reinsurance  
698 intermediary's license who is to be self-employed, the  
699 department ~~or office~~ may secure, at the cost of the applicant, a  
700 full detailed credit and character report made by an established  
701 and reputable independent reporting service relative to the  
702 applicant.

703 (5) Information contained in credit or character reports  
704 furnished to or secured by the department ~~or office~~ under this  
705 section is confidential and exempt from the provisions of s.  
706 119.07(1).

707 Section 33. Subsections (1) and (2) of section 626.541,  
708 Florida Statutes, are amended to read:

709 626.541 Firm, corporate, and business names; officers;  
710 associates; notice of changes.--

711 (1) Any licensed agent or adjuster doing business under a  
712 firm or corporate name or under any business name other than his  
713 or her own individual name shall, within 30 days after the

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714 initial transaction of insurance under such business name, file  
 715 with the department ~~or office~~, on forms adopted by the  
 716 department ~~or commission~~ and furnished by the department ~~or~~  
 717 ~~office~~, a written statement of the firm, corporate, or business  
 718 name being so used, the address of any office or offices or  
 719 places of business making use of such name, and the name and  
 720 social security number of each officer and director of the  
 721 corporation and of each individual associated in such firm or  
 722 corporation as to the insurance transactions thereof or in the  
 723 use of such business name.

724 (2) In the event of any change of such name, or of any of  
 725 the officers and directors, or of any of such addresses, or in  
 726 the personnel so associated, written notice of such change must  
 727 be filed with the department ~~or office~~ within 30 days by or on  
 728 behalf of those licensees terminating any such firm, corporate,  
 729 or business name or continuing to operate thereunder.

730 Section 34. Section 626.551, Florida Statutes, is amended  
 731 to read:

732 626.551 Notice of change of address, name.--Every licensee  
 733 shall notify the department ~~or office~~ in writing within 60 days  
 734 after a change of name, residence address, principal business  
 735 street address, or mailing address. Any licensed agent who has  
 736 moved his or her residence from this state shall have his or her  
 737 license and all appointments immediately terminated by the  
 738 department ~~or office~~. Failure to notify the department ~~or office~~  
 739 within the required time period shall result in a fine not to  
 740 exceed \$250 for the first offense and, for subsequent offenses,  
 741 a fine of not less than \$500 or suspension or revocation of the  
 742 license pursuant to s. 626.611 or s. 626.621.

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743 Section 35. Section 626.611, Florida Statutes, is amended  
 744 to read:

745 626.611 Grounds for compulsory refusal, suspension, or  
 746 revocation of agent's, title agency's, adjuster's, customer  
 747 representative's, service representative's, or managing general  
 748 agent's license or appointment.--The department ~~or office~~ shall  
 749 deny an application for, suspend, revoke, or refuse to renew or  
 750 continue the license or appointment of any applicant, agent,  
 751 title agency, adjuster, customer representative, service  
 752 representative, or managing general agent, and it shall suspend  
 753 or revoke the eligibility to hold a license or appointment of  
 754 any such person, if it finds that as to the applicant, licensee,  
 755 or appointee any one or more of the following applicable grounds  
 756 exist:

757 (1) Lack of one or more of the qualifications for the  
 758 license or appointment as specified in this code.

759 (2) Material misstatement, misrepresentation, or fraud in  
 760 obtaining the license or appointment or in attempting to obtain  
 761 the license or appointment.

762 (3) Failure to pass to the satisfaction of the department  
 763 ~~or office~~ any examination required under this code.

764 (4) If the license or appointment is willfully used, or to  
 765 be used, to circumvent any of the requirements or prohibitions  
 766 of this code.

767 (5) Willful misrepresentation of any insurance policy or  
 768 annuity contract or willful deception with regard to any such  
 769 policy or contract, done either in person or by any form of  
 770 dissemination of information or advertising.

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771 (6) If, as an adjuster, or agent licensed and appointed to  
 772 adjust claims under this code, he or she has materially  
 773 misrepresented to an insured or other interested party the terms  
 774 and coverage of an insurance contract with intent and for the  
 775 purpose of effecting settlement of claim for loss or damage or  
 776 benefit under such contract on less favorable terms than those  
 777 provided in and contemplated by the contract.

778 (7) Demonstrated lack of fitness or trustworthiness to  
 779 engage in the business of insurance.

780 (8) Demonstrated lack of reasonably adequate knowledge and  
 781 technical competence to engage in the transactions authorized by  
 782 the license or appointment.

783 (9) Fraudulent or dishonest practices in the conduct of  
 784 business under the license or appointment.

785 (10) Misappropriation, conversion, or unlawful withholding  
 786 of moneys belonging to insurers or insureds or beneficiaries or  
 787 to others and received in conduct of business under the license  
 788 or appointment.

789 (11) Unlawfully rebating, attempting to unlawfully rebate,  
 790 or unlawfully dividing or offering to divide his or her  
 791 commission with another.

792 (12) Having obtained or attempted to obtain, or having  
 793 used or using, a license or appointment as agent or customer  
 794 representative for the purpose of soliciting or handling  
 795 "controlled business" as defined in s. 626.730 with respect to  
 796 general lines agents, s. 626.784 with respect to life agents,  
 797 and s. 626.830 with respect to health agents.

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798 (13) Willful failure to comply with, or willful violation  
 799 of, any proper order or rule of the department, ~~commission, or~~  
 800 ~~office~~ or willful violation of any provision of this code.

801 (14) Having been found guilty of or having pleaded guilty  
 802 or nolo contendere to a felony or a crime punishable by  
 803 imprisonment of 1 year or more under the law of the United  
 804 States of America or of any state thereof or under the law of  
 805 any other country which involves moral turpitude, without regard  
 806 to whether a judgment of conviction has been entered by the  
 807 court having jurisdiction of such cases.

808 (15) Fraudulent or dishonest practice in submitting or  
 809 aiding or abetting any person in the submission of an  
 810 application for workers' compensation coverage under chapter 440  
 811 containing false or misleading information as to employee  
 812 payroll or classification for the purpose of avoiding or  
 813 reducing the amount of premium due for such coverage.

814 (16) Sale of an unregistered security that was required to  
 815 be registered, pursuant to chapter 517.

816 Section 36. Section 626.621, Florida Statutes, is amended  
 817 to read:

818 626.621 Grounds for discretionary refusal, suspension, or  
 819 revocation of agent's, adjuster's, customer representative's,  
 820 service representative's, or managing general agent's license or  
 821 appointment.--The department ~~or office~~ may, in its discretion,  
 822 deny an application for, suspend, revoke, or refuse to renew or  
 823 continue the license or appointment of any applicant, agent,  
 824 adjuster, customer representative, service representative, or  
 825 managing general agent, and it may suspend or revoke the  
 826 eligibility to hold a license or appointment of any such person,

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827 if it finds that as to the applicant, licensee, or appointee any  
 828 one or more of the following applicable grounds exist under  
 829 circumstances for which such denial, suspension, revocation, or  
 830 refusal is not mandatory under s. 626.611:

831 (1) Any cause for which issuance of the license or  
 832 appointment could have been refused had it then existed and been  
 833 known to the department ~~or office~~.

834 (2) Violation of any provision of this code or of any  
 835 other law applicable to the business of insurance in the course  
 836 of dealing under the license or appointment.

837 (3) Violation of any lawful order or rule of the  
 838 department, commission, or office.

839 (4) Failure or refusal, upon demand, to pay over to any  
 840 insurer he or she represents or has represented any money coming  
 841 into his or her hands belonging to the insurer.

842 (5) Violation of the provision against twisting, as  
 843 defined in s. 626.9541(1)(1).

844 (6) In the conduct of business under the license or  
 845 appointment, engaging in unfair methods of competition or in  
 846 unfair or deceptive acts or practices, as prohibited under part  
 847 IX of this chapter, or having otherwise shown himself or herself  
 848 to be a source of injury or loss to the public or detrimental to  
 849 the public interest.

850 (7) Willful overinsurance of any property or health  
 851 insurance risk.

852 (8) Having been found guilty of or having pleaded guilty  
 853 or nolo contendere to a felony or a crime punishable by  
 854 imprisonment of 1 year or more under the law of the United  
 855 States of America or of any state thereof or under the law of

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856 any other country, without regard to whether a judgment of  
 857 conviction has been entered by the court having jurisdiction of  
 858 such cases.

859 (9) If a life agent, violation of the code of ethics.

860 (10) Cheating on an examination required for licensure or  
 861 violating test center or examination procedures published  
 862 orally, in writing, or electronically at the test site by  
 863 authorized representatives of the examination program  
 864 administrator. Communication of test center and examination  
 865 procedures must be clearly established and documented.

866 (11) Failure to inform the department ~~or office~~ in writing  
 867 within 30 days after pleading guilty or nolo contendere to, or  
 868 being convicted or found guilty of, any felony or a crime  
 869 punishable by imprisonment of 1 year or more under the law of  
 870 the United States or of any state thereof, or under the law of  
 871 any other country without regard to whether a judgment of  
 872 conviction has been entered by the court having jurisdiction of  
 873 the case.

874 (12) Knowingly aiding, assisting, procuring, advising, or  
 875 abetting any person in the violation of or to violate a  
 876 provision of the insurance code or any order or rule of the  
 877 department, commission, or office.

878 Section 37. Section 626.631, Florida Statutes, is amended  
 879 to read:

880 626.631 Procedure for refusal, suspension, or revocation  
 881 of license.--

882 (1) If any licensee is convicted by a court of a violation  
 883 of this code or a felony, the licenses and appointments of such  
 884 person shall be immediately revoked by the department ~~or office~~.

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885 The licensee may subsequently request a hearing pursuant to ss.  
 886 120.569 and 120.57, and the department ~~or office~~ shall expedite  
 887 any such requested hearing. The sole issue at such hearing shall  
 888 be whether the revocation should be rescinded because such  
 889 person was not in fact convicted of a violation of this code or  
 890 a felony.

891 (2) The papers, documents, reports, or evidence of the  
 892 department ~~or office~~ relative to a hearing for revocation or  
 893 suspension of a license or appointment pursuant to the  
 894 provisions of this chapter and chapter 120 are confidential and  
 895 exempt from the provisions of s. 119.07(1) until after the same  
 896 have been published at the hearing. However, such papers,  
 897 documents, reports, or items of evidence are subject to  
 898 discovery in a hearing for revocation or suspension of a license  
 899 or appointment.

900 Section 38. Subsections (1) and (2) of section 626.641,  
 901 Florida Statutes, are amended to read:

902 626.641 Duration of suspension or revocation.--

903 (1) The department ~~or office~~ shall, in its order  
 904 suspending a license or appointment or in its order suspending  
 905 the eligibility of a person to hold or apply for such license or  
 906 appointment, specify the period during which the suspension is  
 907 to be in effect; but such period shall not exceed 2 years. The  
 908 license, appointment, or eligibility shall remain suspended  
 909 during the period so specified, subject, however, to any  
 910 rescission or modification of the order by the department ~~or~~  
 911 ~~office~~, or modification or reversal thereof by the court, prior  
 912 to expiration of the suspension period. A license, appointment,  
 913 or eligibility which has been suspended shall not be reinstated



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914 except upon request for such reinstatement; but the department  
 915 ~~er office~~ shall not grant such reinstatement if it finds that  
 916 the circumstance or circumstances for which the license,  
 917 appointment, or eligibility was suspended still exist or are  
 918 likely to recur.

919 (2) No person or appointee under any license or  
 920 appointment revoked by the department ~~er office~~, nor any person  
 921 whose eligibility to hold same has been revoked by the  
 922 department ~~er office~~, shall have the right to apply for another  
 923 license or appointment under this code within 2 years from the  
 924 effective date of such revocation or, if judicial review of such  
 925 revocation is sought, within 2 years from the date of final  
 926 court order or decree affirming the revocation. The department  
 927 ~~er office~~ shall not, however, grant a new license or appointment  
 928 or reinstate eligibility to hold such license or appointment if  
 929 it finds that the circumstance or circumstances for which the  
 930 eligibility was revoked or for which the previous license or  
 931 appointment was revoked still exist or are likely to recur; if  
 932 an individual's license as agent or customer representative or  
 933 eligibility to hold same has been revoked upon the ground  
 934 specified in s. 626.611(12), the department ~~er office~~ shall  
 935 refuse to grant or issue any new license or appointment so  
 936 applied for.

937 Section 39. Subsection (2) of section 626.661, Florida  
 938 Statutes, is amended to read:

939 626.661 Surrender of license.--

940 (2) This section shall not be deemed to require the  
 941 surrender to the department ~~er office~~ of any license unless such  
 942 surrender has been requested by the department ~~er office~~.

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943 Section 40. Subsections (1) and (3) of section 626.681,  
 944 Florida Statutes, are amended to read:

945 626.681 Administrative fine in lieu of or in addition to  
 946 suspension, revocation, or refusal of license, appointment, or  
 947 disapproval.--

948 (1) Except as to insurance agencies, if the department ~~or~~  
 949 ~~office~~ finds that one or more grounds exist for the suspension,  
 950 revocation, or refusal to issue, renew, or continue any license  
 951 or appointment issued under this chapter, or disapproval of a  
 952 continuing education course provider, instructor, school  
 953 official, or monitor groups, the department ~~or office~~ may, in  
 954 its discretion, in lieu of or in addition to such suspension or  
 955 revocation, or in lieu of such refusal, or disapproval, and  
 956 except on a second offense or when such suspension, revocation,  
 957 or refusal is mandatory, impose upon the licensee, appointee,  
 958 course provider, instructor, school official, or monitor group  
 959 an administrative penalty in an amount up to \$500 or, if the  
 960 department ~~or office~~ has found willful misconduct or willful  
 961 violation on the part of the licensee, appointee, course  
 962 provider, instructor, school official, or monitor group up to  
 963 \$3,500. The administrative penalty may, in the discretion of the  
 964 department ~~or office~~, be augmented by an amount equal to any  
 965 commissions received by or accruing to the credit of the  
 966 licensee or appointee in connection with any transaction as to  
 967 which the grounds for suspension, revocation, or refusal  
 968 related.

969 (3) The department ~~or office~~ may allow the licensee,  
 970 appointee, or continuing education course provider, instructor,  
 971 school official, or monitor group a reasonable period, not to

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972 exceed 30 days, within which to pay to the department ~~or office~~  
 973 the amount of the penalty so imposed. If the licensee,  
 974 appointee, course provider, instructor, school official, or  
 975 monitor group fails to pay the penalty in its entirety to the  
 976 department ~~or office~~ within the period so allowed, the license,  
 977 appointments, approval, or status of that person shall stand  
 978 suspended or revoked or issuance, renewal, or continuation shall  
 979 be refused, as the case may be, upon expiration of such period.

980 Section 41. Section 626.691, Florida Statutes, is amended  
 981 to read:

982 626.691 Probation.--

983 (1) If the department ~~or office~~ finds that one or more  
 984 grounds exist for the suspension, revocation, or refusal to  
 985 renew or continue any license or appointment issued under this  
 986 part, the department ~~or office~~ may, in its discretion, except  
 987 when an administrative fine is not permissible under s. 626.681  
 988 or when such suspension, revocation, or refusal is mandatory, in  
 989 lieu of or in addition to such suspension or revocation, or in  
 990 lieu of such refusal, or in connection with any administrative  
 991 monetary penalty imposed under s. 626.681, place the offending  
 992 licensee or appointee on probation for a period, not to exceed 2  
 993 years, as specified by the department ~~or office~~ in its order.

994 (2) As a condition to such probation or in connection  
 995 therewith, the department ~~or office~~ may specify in its order  
 996 reasonable terms and conditions to be fulfilled by the  
 997 probationer during the probation period. If during the probation  
 998 period the department ~~or office~~ has good cause to believe that  
 999 the probationer has violated a term or condition, it shall  
 1000 suspend, revoke, or refuse to issue, renew, or continue the

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1001 license or appointment of the probationer, as upon the original  
 1002 grounds referred to in subsection (1).

1003 Section 42. Section 626.692, Florida Statutes, is amended  
 1004 to read:

1005 626.692 Restitution.--If any ground exists for the  
 1006 suspension, revocation, or refusal of a license or appointment,  
 1007 the department ~~or office~~ may, in addition to any other penalty  
 1008 authorized under this chapter, order the licensee to pay  
 1009 restitution to any person who has been deprived of money by the  
 1010 licensee's misappropriation, conversion, or unlawful withholding  
 1011 of moneys belonging to insurers, insureds, beneficiaries, or  
 1012 others. In no instance shall the amount of restitution required  
 1013 to be paid under this section exceed the amount of money  
 1014 misappropriated, converted, or unlawfully withheld. Nothing in  
 1015 this section limits or restricts a person's right to seek other  
 1016 remedies as provided for by law.

1017 Section 43. Subsection (2) of section 626.8582, Florida  
 1018 Statutes, is amended to read:

1019 626.8582 "Nonresident public adjuster" defined.--A  
 1020 "nonresident public adjuster" is a person who:

1021 (2) Is a currently licensed public adjuster in his or her  
 1022 state of residence for the type or kinds of insurance for which  
 1023 the licensee intends to adjust claims in this state or, if a  
 1024 resident of a state that does not license public adjusters, has  
 1025 passed the department's ~~office's~~ adjuster examination as  
 1026 prescribed in s. 626.8732(1)(b); and

1027 Section 44. Subsection (2) of section 626.8584, Florida  
 1028 Statutes, is amended to read:

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1029 626.8584 "Nonresident independent adjuster" defined.--A

1030 "nonresident independent adjuster" is a person who:

1031 (2) Is a currently licensed independent adjuster in his or  
 1032 her state of residence for the type or kinds of insurance for  
 1033 which the licensee intends to adjust claims in this state or, if  
 1034 a resident of a state that does not license independent  
 1035 adjusters, has passed the department's ~~office's~~ adjuster  
 1036 examination as prescribed in s. 626.8734(1)(b); and

1037 Section 45. Section 626.859, Florida Statutes, is amended  
 1038 to read:

1039 626.859 "Catastrophe" or "emergency" adjuster defined.--A  
 1040 "catastrophe" or "emergency" adjuster is a person who is not a  
 1041 licensed adjuster under this part, but who has been designated  
 1042 and certified to the department ~~office~~ by insurers as qualified  
 1043 to adjust claims, losses, or damages under policies or contracts  
 1044 of insurance issued by such insurer, and whom the department  
 1045 ~~office~~ may license, in the event of a catastrophe or emergency,  
 1046 for the purposes and under the conditions which the department  
 1047 ~~office~~ shall fix and for the period of the emergency as the  
 1048 department ~~office~~ shall determine, to adjust claims, losses, or  
 1049 damages under the policies of insurance issued by the insurers.

1050 Section 46. Subsection (2) of section 626.863, Florida  
 1051 Statutes, is amended to read:

1052 626.863 Licensed independent adjusters required; insurers'  
 1053 responsibility.--

1054 (2) Before referring any claim or loss, the insurer shall  
 1055 ascertain from the department ~~office~~ whether the proposed  
 1056 independent adjuster is currently licensed and appointed as  
 1057 such. Having once ascertained that a particular person is so

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1058 licensed and appointed, the insurer may assume that he or she  
 1059 will continue to be so licensed and appointed until the insurer  
 1060 has knowledge, or receives information from the department  
 1061 ~~office~~, to the contrary.

1062 Section 47. Section 626.865, Florida Statutes, is amended  
 1063 to read:

1064 626.865 Public adjuster's qualifications, bond.--

1065 (1) The department ~~office~~ shall issue a license to an  
 1066 applicant for a public adjuster's license upon determining that  
 1067 the applicant has paid the applicable fees specified in s.  
 1068 624.501 and possesses the following qualifications:

1069 (a) Is a natural person at least 18 years of age.

1070 (b) Is a United States citizen or legal alien who  
 1071 possesses work authorization from the United States Immigration  
 1072 and Naturalization Service and a bona fide resident of this  
 1073 state.

1074 (c) Is trustworthy and has such business reputation as  
 1075 would reasonably assure that the applicant will conduct his or  
 1076 her business as insurance adjuster fairly and in good faith and  
 1077 without detriment to the public.

1078 (d) Has had sufficient experience, training, or  
 1079 instruction concerning the adjusting of damages or losses under  
 1080 insurance contracts, other than life and annuity contracts, is  
 1081 sufficiently informed as to the terms and effects of the  
 1082 provisions of those types of insurance contracts, and possesses  
 1083 adequate knowledge of the laws of this state relating to such  
 1084 contracts as to enable and qualify him or her to engage in the  
 1085 business of insurance adjuster fairly and without injury to the

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1086 public or any member thereof with whom the applicant may have  
 1087 business as a public adjuster.

1088 (e) Has passed any required written examination.

1089 (2) At the time of application for license as a public  
 1090 adjuster, the applicant shall file with the department ~~office~~ a  
 1091 bond executed and issued by a surety insurer authorized to  
 1092 transact such business in this state, in the amount of \$50,000,  
 1093 conditioned for the faithful performance of his or her duties as  
 1094 a public adjuster under the license applied for. The bond shall  
 1095 be in favor of the department ~~office~~ and shall specifically  
 1096 authorize recovery by the department ~~office~~ of the damages  
 1097 sustained in case the licensee is guilty of fraud or unfair  
 1098 practices in connection with his or her business as public  
 1099 adjuster. The aggregate liability of the surety for all such  
 1100 damages shall in no event exceed the amount of the bond. Such  
 1101 bond shall not be terminated unless at least 30 days' written  
 1102 notice is given to the licensee and filed with the department  
 1103 ~~office~~.

1104 Section 48. Section 626.866, Florida Statutes, is amended  
 1105 to read:

1106 626.866 Independent adjuster's qualifications.--The  
 1107 department ~~office~~ shall issue a license to an applicant for an  
 1108 independent adjuster's license upon determining that the  
 1109 applicable license fee specified in s. 624.501 has been paid and  
 1110 that the applicant possesses the following qualifications:

1111 (1) Is a natural person at least 18 years of age.

1112 (2) Is a United States citizen or legal alien who  
 1113 possesses work authorization from the United States Immigration

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1114 and Naturalization Service and a bona fide resident of this  
 1115 state.

1116 (3) Is trustworthy and has such business reputation as  
 1117 would reasonably assure that the applicant will conduct his or  
 1118 her business as insurance adjuster fairly and in good faith and  
 1119 without detriment to the public.

1120 (4) Has had sufficient experience, training, or  
 1121 instruction concerning the adjusting of damage or loss under  
 1122 insurance contracts, other than life and annuity contracts, is  
 1123 sufficiently informed as to the terms and the effects of the  
 1124 provisions of such types of contracts, and possesses adequate  
 1125 knowledge of the insurance laws of this state relating to such  
 1126 contracts as to enable and qualify him or her to engage in the  
 1127 business of insurance adjuster fairly and without injury to the  
 1128 public or any member thereof with whom he or she may have  
 1129 relations as an insurance adjuster and to adjust all claims in  
 1130 accordance with the policy or contract and the insurance laws of  
 1131 this state.

1132 (5) Has passed any required written examination.

1133 Section 49. Section 626.867, Florida Statutes, is amended  
 1134 to read:

1135 626.867 Company employee adjuster's qualifications.--The  
 1136 department ~~office~~ shall issue a license to an applicant for a  
 1137 company employee adjuster's license upon determining that the  
 1138 applicable license fee specified in s. 624.501 has been paid and  
 1139 that the applicant possesses the following qualifications:

1140 (1) Is a natural person at least 18 years of age.

1141 (2) Is a United States citizen or legal alien who  
 1142 possesses work authorization from the United States Immigration



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1143 and Naturalization Service and a bona fide resident of this  
 1144 state.

1145 (3) Is trustworthy and has such business reputation as  
 1146 would reasonably assure that the applicant will conduct his or  
 1147 her business as insurance adjuster fairly and in good faith and  
 1148 without detriment to the public.

1149 (4) Has had sufficient experience, training, or  
 1150 instruction concerning the adjusting of damage or loss of risks  
 1151 described in his or her application, is sufficiently informed as  
 1152 to the terms and the effects of the provisions of insurance  
 1153 contracts covering such risks, and possesses adequate knowledge  
 1154 of the insurance laws of this state relating to such insurance  
 1155 contracts as to enable and qualify him or her to engage in such  
 1156 business as insurance adjuster fairly and without injury to the  
 1157 public or any member thereof with whom he or she may have  
 1158 relations as an insurance adjuster and to adjust all claims in  
 1159 accordance with the policy or contract and the insurance laws of  
 1160 this state.

1161 (5) Has passed any required written examination.

1162 Section 50. Paragraph (c) of subsection (4) of section  
 1163 626.869, Florida Statutes, is amended to read:

1164 626.869 License, adjusters.--

1165 (4)

1166 (c) The department ~~Financial Services Commission~~ shall  
 1167 adopt rules necessary to implement and administer the continuing  
 1168 education requirements of this subsection.

1169 Section 51. Subsections (1), (3), (5), (6), and (7) of  
 1170 section 626.8695, Florida Statutes, are amended to read:

1171 626.8695 Primary adjuster.--

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1172 (1) Each person operating an adjusting firm and each  
 1173 location of a multiple location adjusting firm must designate a  
 1174 primary adjuster for each such firm or location and must file  
 1175 with the department ~~office~~ the name of such primary adjuster and  
 1176 the address of the firm or location where he or she is the  
 1177 primary adjuster, on a form approved by the department  
 1178 ~~commission~~. The designation of the primary adjuster may be  
 1179 changed at the option of the adjusting firm. Any such change is  
 1180 effective upon notification to the department ~~office~~. Notice of  
 1181 change must be sent to the department ~~office~~ within 30 days  
 1182 after such change.

1183 (3) The department ~~office~~ may suspend or revoke the  
 1184 license of the primary adjuster if the adjusting firm employs  
 1185 any person who has had a license denied or any person whose  
 1186 license is currently suspended or revoked. However, if a person  
 1187 has been denied a license for failure to pass a required  
 1188 examination, he or she may be employed to perform clerical or  
 1189 administrative functions for which licensure is not required.

1190 (5) The department ~~office~~ may suspend or revoke the  
 1191 license of any adjuster who is employed by a person whose  
 1192 license is currently suspended or revoked.

1193 (6) An adjusting firm location may not conduct the  
 1194 business of insurance unless a primary adjuster is designated.  
 1195 Failure of the person operating the adjusting firm to designate  
 1196 a primary adjuster for the firm, or for each location, as  
 1197 applicable, on a form prescribed by the department ~~commission~~  
 1198 within 30 days after inception of the firm or change of primary  
 1199 adjuster designation, constitutes grounds for requiring the

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1200 adjusting firm to obtain an adjusting firm license pursuant to  
 1201 s. 626.8696.

1202 (7) Any adjusting firm may request, on a form prescribed  
 1203 by the department ~~commission~~, verification from the department  
 1204 ~~office~~ of any person's current licensure status. If a request is  
 1205 mailed to the department ~~office~~ within 5 working days after the  
 1206 date an adjuster is hired, and the department ~~office~~  
 1207 subsequently notifies the adjusting firm that an employee's  
 1208 license is currently suspended, revoked, or has been denied, the  
 1209 license of the primary adjuster shall not be revoked or  
 1210 suspended if the unlicensed person is immediately dismissed from  
 1211 employment as an adjuster with the firm.

1212 Section 52. Paragraph (e) of subsection (1) and subsection  
 1213 (5) of section 626.8696, Florida Statutes, are amended to read:

1214 626.8696 Application for adjusting firm license.--

1215 (1) The application for an adjusting firm license must  
 1216 include:

1217 (e) Any additional information which the department  
 1218 ~~commission~~ may require.

1219 (5) An adjusting firm required to be licensed pursuant to  
 1220 s. 626.8695 must remain so licensed for a period of 3 years from  
 1221 the date of licensure, unless the license is suspended or  
 1222 revoked. The department ~~office~~ may suspend or revoke the  
 1223 adjusting firm's authority to do business for activities  
 1224 occurring during the time the firm is licensed, regardless of  
 1225 whether the licensing period has terminated.

1226 Section 53. Section 626.8697, Florida Statutes, is amended  
 1227 to read:

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1228 626.8697 Grounds for refusal, suspension, or revocation of  
 1229 adjusting firm license.--

1230 (1) The department ~~office~~ shall deny, suspend, revoke, or  
 1231 refuse to continue the license of any adjusting firm if it  
 1232 finds, as to any adjusting firm or as to any majority owner,  
 1233 partner, manager, director, officer, or other person who manages  
 1234 or controls the firm, that any of the following grounds exist:

1235 (a) Lack by the firm of one or more of the qualifications  
 1236 for the license as specified in this code.

1237 (b) Material misstatement, misrepresentation, or fraud in  
 1238 obtaining the license or in attempting to obtain the license.

1239 (2) The department ~~office~~ may, in its discretion, deny,  
 1240 suspend, revoke, or refuse to continue the license of any  
 1241 adjusting firm if it finds that any of the following applicable  
 1242 grounds exist with respect to the firm or any owner, partner,  
 1243 manager, director, officer, or other person who is otherwise  
 1244 involved in the operation of the firm:

1245 (a) Any cause for which issuance of the license could have  
 1246 been refused had it then existed and been known to the  
 1247 department ~~office~~.

1248 (b) Violation of any provision of this code or of any  
 1249 other law applicable to the business of insurance.

1250 (c) Violation of any order or rule of the department,  
 1251 office, or commission.

1252 (d) An owner, partner, manager, director, officer, or  
 1253 other person who manages or controls the firm having been found  
 1254 guilty of or having pleaded guilty or nolo contendere to a  
 1255 felony or a crime punishable by imprisonment of 1 year or more  
 1256 under the laws of the United States or of any state or under the

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1257 laws of any other country, without regard to whether  
1258 adjudication was made or withheld by the court.

1259 (e) Failure to inform the department ~~office~~ in writing  
1260 within 30 days after a pleading by an owner, partner, manager,  
1261 director, officer, or other person managing or controlling the  
1262 firm of guilty or nolo contendere to, or being convicted or  
1263 found guilty of, any felony or a crime punishable by  
1264 imprisonment of 1 year or more under the laws of the United  
1265 States or of any state, or under the laws of any other country,  
1266 without regard to whether adjudication was made or withheld by  
1267 the court.

1268 (f) Knowingly aiding, assisting, procuring, advising, or  
1269 abetting any person in the violation of or to violate a  
1270 provision of the insurance code or any order or rule of the  
1271 department, office, or commission.

1272 (g) Knowingly employing any individual in a managerial  
1273 capacity or in a capacity dealing with the public who is under  
1274 an order of revocation or suspension issued by the department  
1275 ~~office~~.

1276 (h) Committing any of the following acts with such a  
1277 frequency as to have made the operation of the adjusting firm  
1278 hazardous to the insurance-buying public or other persons:

1279 1. Misappropriation, conversion, or unlawful or  
1280 unreasonable withholding of moneys belonging to insurers or  
1281 insureds or beneficiaries or claimants or to others and received  
1282 in the conduct of business under the license.

1283 2. Misrepresentation or deception with regard to the  
1284 business of insurance, dissemination of information, or  
1285 advertising.

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1286 3. Demonstrated lack of fitness or trustworthiness to  
 1287 engage in the business of insurance adjusting arising out of  
 1288 activities related to insurance adjusting or the adjusting firm.

1289 (i) Failure to appoint a primary adjuster.

1290 (3) In lieu of discretionary refusal, suspension, or  
 1291 revocation of an adjusting firm's license, the department ~~office~~  
 1292 may impose an administrative penalty of up to \$1,000 for each  
 1293 violation or ground provided under this section, not to exceed  
 1294 an aggregate amount of \$10,000 for all violations or grounds.

1295 (4) If any adjusting firm, having been licensed,  
 1296 thereafter has such license revoked or suspended, the firm shall  
 1297 terminate all adjusting activities while the license is revoked  
 1298 or suspended.

1299 Section 54. Section 626.8698, Florida Statutes, is amended  
 1300 to read:

1301 626.8698 Disciplinary guidelines for public  
 1302 adjusters.--The department ~~office~~ may deny, suspend, or revoke  
 1303 the license of a public adjuster, and administer a fine not to  
 1304 exceed \$5,000 per act, for any of the following:

1305 (1) Violating any provision of this chapter or a rule or  
 1306 order of the office or commission;

1307 (2) Receiving payment or anything of value as a result of  
 1308 an unfair or deceptive practice;

1309 (3) Receiving or accepting any fee, kickback, or other  
 1310 thing of value pursuant to any agreement or understanding, oral  
 1311 or otherwise; entering into a split-fee arrangement with another  
 1312 person who is not a public adjuster; or being otherwise paid or  
 1313 accepting payment for services that have not been performed;

1314 (4) Violating s. 316.066 or s. 817.234;

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1315 (5) Soliciting or otherwise taking advantage of a person  
 1316 who is vulnerable, emotional, or otherwise upset as the result  
 1317 of a trauma, accident, or other similar occurrence; or

1318 (6) Violating any ethical rule of the department  
 1319 ~~commission~~.

1320 Section 55. Section 626.870, Florida Statutes, is amended  
 1321 to read:

1322 626.870 Application for license.--

1323 (1) Application for a license under this part shall be  
 1324 made as provided in s. 626.171 and related sections of this  
 1325 code.

1326 (2) The department ~~commission~~ shall so prepare the form of  
 1327 the application as to elicit and require from the applicant the  
 1328 information necessary to enable the department ~~office~~ to  
 1329 determine whether the applicant possesses the qualifications  
 1330 prerequisite to issuance of the license to the applicant.

1331 (3) The department ~~commission~~ may, in its discretion,  
 1332 require that the application be supplemented by the certificate  
 1333 or affidavit of such person or persons as it deems necessary for  
 1334 its determination of the applicant's residence, business  
 1335 reputation, and reputation for trustworthiness. The department  
 1336 ~~commission~~ shall prescribe and the department ~~office~~ may furnish  
 1337 the forms for such certificates and affidavits.

1338 Section 56. Section 626.871, Florida Statutes, is amended  
 1339 to read:

1340 626.871 Reappointment after military service.--The  
 1341 department ~~office~~ may, without requiring a further written  
 1342 examination, issue an appointment as an adjuster to a formerly  
 1343 licensed and appointed adjuster of this state who held a current

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1344 adjuster's appointment at the time of entering service in the  
 1345 Armed Forces of the United States, subject to the following  
 1346 conditions:

1347 (1) The period of military service must not have been in  
 1348 excess of 3 years;

1349 (2) The application for the appointment must be filed with  
 1350 the department ~~office~~ and the applicable fee paid, within 12  
 1351 months following the date of honorable discharge of the  
 1352 applicant from the military service; and

1353 (3) The new appointment will be of the same type and class  
 1354 as that currently effective at the time the applicant entered  
 1355 military service; but, if such type and class of appointment is  
 1356 not being currently issued under this code, the new appointment  
 1357 shall be of that type and class or classes most closely  
 1358 resembling those of the former appointment.

1359 Section 57. Subsections (1) and (5) of section 626.872,  
 1360 Florida Statutes, are amended to read:

1361 626.872 Temporary license.--

1362 (1) The department ~~office~~ may, in its discretion, issue a  
 1363 temporary license as an independent adjuster or as a company  
 1364 employee adjuster, subject to the following conditions:

1365 (a) The applicant must be an employee of an adjuster  
 1366 currently licensed by the department ~~office~~, an employee of an  
 1367 authorized insurer, or an employee of an established adjusting  
 1368 firm or corporation which is supervised by a currently licensed  
 1369 independent adjuster.

1370 (b) The application must be accompanied by a certificate  
 1371 of employment and a report as to the applicant's integrity and



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1372 moral character on a form prescribed by the department  
 1373 ~~commission~~ and executed by the employer.

1374 (c) The applicant must be a natural person of at least 18  
 1375 years of age, must be a bona fide resident of this state, must  
 1376 be trustworthy, and must have such business reputation as would  
 1377 reasonably assure that the applicant will conduct his or her  
 1378 business as an adjuster fairly and in good faith and without  
 1379 detriment to the public.

1380 (d) The applicant's employer is responsible for the  
 1381 adjustment acts of any licensee under this section.

1382 (e) The applicable license fee specified must be paid  
 1383 before issuance of the temporary license.

1384 (f) The temporary license shall be effective for a period  
 1385 of 1 year, but subject to earlier termination at the request of  
 1386 the employer, or if the licensee fails to take an examination as  
 1387 an independent adjuster or company employee adjuster within 6  
 1388 months after issuance of the temporary license, or if suspended  
 1389 or revoked by the department ~~office~~.

1390 (5) The department ~~office~~ shall not issue a temporary  
 1391 license as an independent adjuster or as a company employee  
 1392 adjuster to any individual who has ever held such a license in  
 1393 this state.

1394 Section 58. Subsection (1) of section 626.873, Florida  
 1395 Statutes, is amended to read:

1396 626.873 Nonresident company employee adjusters.--

1397 (1) The department ~~office~~ shall, upon application  
 1398 therefor, issue a license to an applicant for a nonresident  
 1399 adjuster's license upon determining that the applicant has paid  
 1400 the applicable license fees required under s. 624.501 and:

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1401 (a) Is a currently licensed insurance adjuster in his or  
 1402 her home state, if such state requires a license.

1403 (b) Is an employee of an insurer, or a wholly owned  
 1404 subsidiary of an insurer, admitted to do business in this state.

1405 (c) Has filed a certificate or letter of authorization  
 1406 from the insurance department of his or her home state, if such  
 1407 state requires an adjuster to be licensed, stating that he or  
 1408 she holds a current license or authorization to adjust insurance  
 1409 losses. Such certificate or authorization must be signed by the  
 1410 insurance commissioner, or his or her deputy, of the adjuster's  
 1411 home state and must reflect whether or not the adjuster has ever  
 1412 had his or her license or authorization in the adjuster's home  
 1413 state suspended or revoked and, if such is the case, the reason  
 1414 for such action.

1415 Section 59. Section 626.8732, Florida Statutes, is amended  
 1416 to read:

1417 626.8732 Nonresident public adjuster's qualifications,  
 1418 bond.--

1419 (1) The department ~~office~~ shall, upon application  
 1420 therefor, issue a license to an applicant for a nonresident  
 1421 public adjuster's license upon determining that the applicant  
 1422 has paid the applicable license fees required under s. 624.501  
 1423 and:

1424 (a) Is a natural person at least 18 years of age.

1425 (b) Has passed to the satisfaction of the department  
 1426 ~~office~~ a written Florida public adjuster's examination of the  
 1427 scope prescribed in s. 626.241(6); however, the requirement for  
 1428 such an examination does not apply to any of the following:

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1429           1. An applicant who is licensed as a resident public  
1430 adjuster in his or her state of residence, when that state  
1431 requires the passing of a written examination in order to obtain  
1432 the license and a reciprocal agreement with the appropriate  
1433 official of that state has been entered into by the department  
1434 ~~office~~; or

1435           2. An applicant who is licensed as a nonresident public  
1436 adjuster in a state other than his or her state of residence  
1437 when the state of licensure requires the passing of a written  
1438 examination in order to obtain the license and a reciprocal  
1439 agreement with the appropriate official of the state of  
1440 licensure has been entered into by the department ~~office~~.

1441           (c) Is self-employed as a public adjuster or associated  
1442 with or employed by a public adjusting firm or other public  
1443 adjuster. Applicants licensed as nonresident public adjusters  
1444 under this section must be appointed as such in accordance with  
1445 the provisions of ss. 626.112 and 626.451. Appointment fees in  
1446 the amount specified in s. 624.501 must be paid to the  
1447 department ~~office~~ in advance. The appointment of a nonresident  
1448 public adjuster shall continue in force until suspended,  
1449 revoked, or otherwise terminated, but subject to biennial  
1450 renewal or continuation by the licensee in accordance with  
1451 procedures prescribed in s. 626.381 for licensees in general.

1452           (d) Is trustworthy and has such business reputation as  
1453 would reasonably assure that he or she will conduct his or her  
1454 business as a nonresident public adjuster fairly and in good  
1455 faith and without detriment to the public.

1456           (e) Has had sufficient experience, training, or  
1457 instruction concerning the adjusting of damages or losses under

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1458 insurance contracts, other than life and annuity contracts; is  
 1459 sufficiently informed as to the terms and effects of the  
 1460 provisions of those types of insurance contracts; and possesses  
 1461 adequate knowledge of the laws of this state relating to such  
 1462 contracts as to enable and qualify him or her to engage in the  
 1463 business of insurance adjuster fairly and without injury to the  
 1464 public or any member thereof with whom he or she may have  
 1465 business as a public adjuster.

1466 (2) The applicant shall furnish the following with his or  
 1467 her application:

1468 (a) A complete set of his or her fingerprints. The  
 1469 applicant's fingerprints must be certified by an authorized law  
 1470 enforcement officer. The department ~~office~~ may not authorize an  
 1471 applicant to take the required examination or issue a  
 1472 nonresident public adjuster's license to the applicant until the  
 1473 department ~~office~~ has received a report from the Florida  
 1474 Department of Law Enforcement and the Federal Bureau of  
 1475 Investigation relative to the existence or nonexistence of a  
 1476 criminal history report based on the applicant's fingerprints.

1477 (b) If currently licensed as a resident public adjuster in  
 1478 the applicant's state of residence, a certificate or letter of  
 1479 authorization from the licensing authority of the applicant's  
 1480 state of residence, stating that the applicant holds a current  
 1481 or comparable license to act as a public adjuster. The  
 1482 certificate or letter of authorization must be signed by the  
 1483 insurance commissioner or his or her deputy or the appropriate  
 1484 licensing official and must disclose whether the adjuster has  
 1485 ever had any license or eligibility to hold any license  
 1486 declined, denied, suspended, revoked, or placed on probation or

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1487 whether an administrative fine or penalty has been levied  
 1488 against the adjuster and, if so, the reason for the action.

1489 (c) If the applicant's state of residence does not require  
 1490 licensure as a public adjuster and the applicant has been  
 1491 licensed as a resident insurance adjuster, agent, broker, or  
 1492 other insurance representative in his or her state of residence  
 1493 or any other state within the past 3 years, a certificate or  
 1494 letter of authorization from the licensing authority stating  
 1495 that the applicant holds or has held a license to act as such an  
 1496 insurance adjuster, agent, or other insurance representative.  
 1497 The certificate or letter of authorization must be signed by the  
 1498 insurance commissioner or his or her deputy or the appropriate  
 1499 licensing official and must disclose whether or not the  
 1500 adjuster, agent, or other insurance representative has ever had  
 1501 any license or eligibility to hold any license declined, denied,  
 1502 suspended, revoked, or placed on probation or whether an  
 1503 administrative fine or penalty has been levied against the  
 1504 adjuster and, if so, the reason for the action.

1505 (3) At the time of application for license as a  
 1506 nonresident public adjuster, the applicant shall file with the  
 1507 department ~~office~~ a bond executed and issued by a surety insurer  
 1508 authorized to transact surety business in this state, in the  
 1509 amount of \$50,000, conditioned for the faithful performance of  
 1510 his or her duties as a nonresident public adjuster under the  
 1511 license applied for. The bond must be in favor of the department  
 1512 ~~office~~ and must specifically authorize recovery by the  
 1513 department ~~office~~ of the damages sustained if the licensee  
 1514 commits fraud or unfair practices in connection with his or her  
 1515 business as nonresident public adjuster. The aggregate liability

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1516 of the surety for all the damages may not exceed the amount of  
 1517 the bond. The bond may not be terminated unless at least 30  
 1518 days' written notice is given to the licensee and filed with the  
 1519 department office.

1520 (4) The usual and customary records pertaining to  
 1521 transactions under the license of a nonresident public adjuster  
 1522 must be retained for at least 3 years after completion of the  
 1523 adjustment and must be made available in this state to the  
 1524 department office upon request. The failure of a nonresident  
 1525 public adjuster to properly maintain records and make them  
 1526 available to the department office upon request constitutes  
 1527 grounds for the immediate suspension of the license issued under  
 1528 this section.

1529 (5) After licensure as a nonresident public adjuster, as a  
 1530 condition of doing business in this state, the licensee must  
 1531 annually on or before January 1, on a form prescribed by the  
 1532 department commission, submit an affidavit certifying that the  
 1533 licensee is familiar with and understands the insurance code and  
 1534 rules adopted thereunder and the provisions of the contracts  
 1535 negotiated or to be negotiated. Compliance with this filing  
 1536 requirement is a condition precedent to the issuance,  
 1537 continuation, reinstatement, or renewal of a nonresident public  
 1538 adjuster's appointment.

1539 Section 60. Subsections (1), (3), and (4) of section  
 1540 626.8734, Florida Statutes, are amended to read:

1541 626.8734 Nonresident independent adjuster's  
 1542 qualifications.--

1543 (1) The department office shall, upon application  
 1544 therefor, issue a license to an applicant for a nonresident

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1545 independent adjuster's license upon determining that the  
 1546 applicant has paid the applicable license fees required under s.  
 1547 624.501 and:

1548 (a) Is a natural person at least 18 years of age.

1549 (b) Has passed to the satisfaction of the department  
 1550 ~~office~~ a written Florida independent adjuster's examination of  
 1551 the scope prescribed in s. 626.241(6); however, the requirement  
 1552 for the examination does not apply to any of the following:

1553 1. An applicant who is licensed as a resident independent  
 1554 adjuster in his or her state of residence when that state  
 1555 requires the passing of a written examination in order to obtain  
 1556 the license and a reciprocal agreement with the appropriate  
 1557 official of that state has been entered into by the department  
 1558 ~~office~~; or

1559 2. An applicant who is licensed as a nonresident  
 1560 independent adjuster in a state other than his or her state of  
 1561 residence when the state of licensure requires the passing of a  
 1562 written examination in order to obtain the license and a  
 1563 reciprocal agreement with the appropriate official of the state  
 1564 of licensure has been entered into by the department office.

1565 (c) Is self-employed or associated with or employed by an  
 1566 independent adjusting firm or other independent adjuster.

1567 Applicants licensed as nonresident independent adjusters under  
 1568 this section must be appointed as such in accordance with the  
 1569 provisions of ss. 626.112 and 626.451. Appointment fees in the  
 1570 amount specified in s. 624.501 must be paid to the department  
 1571 ~~office~~ in advance. The appointment of a nonresident independent  
 1572 adjuster shall continue in force until suspended, revoked, or  
 1573 otherwise terminated, but subject to biennial renewal or

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1574 continuation by the licensee in accordance with procedures  
 1575 prescribed in s. 626.381 for licensees in general.

1576 (d) Is trustworthy and has such business reputation as  
 1577 would reasonably assure that he or she will conduct his or her  
 1578 business as a nonresident independent adjuster fairly and in  
 1579 good faith and without detriment to the public.

1580 (e) Has had sufficient experience, training, or  
 1581 instruction concerning the adjusting of damages or losses under  
 1582 insurance contracts, other than life and annuity contracts; is  
 1583 sufficiently informed as to the terms and effects of the  
 1584 provisions of those types of insurance contracts; and possesses  
 1585 adequate knowledge of the laws of this state relating to such  
 1586 contracts as to enable and qualify him or her to engage in the  
 1587 business of insurance adjuster fairly and without injury to the  
 1588 public or any member thereof with whom he or she may have  
 1589 business as an independent adjuster.

1590 (3) The usual and customary records pertaining to  
 1591 transactions under the license of a nonresident independent  
 1592 adjuster must be retained for at least 3 years after completion  
 1593 of the adjustment and must be made available in this state to  
 1594 the department ~~office~~ upon request. The failure of a nonresident  
 1595 independent adjuster to properly maintain records and make them  
 1596 available to the department ~~office~~ upon request constitutes  
 1597 grounds for the immediate suspension of the license issued under  
 1598 this section.

1599 (4) After licensure as a nonresident independent adjuster,  
 1600 as a condition of doing business in this state, the licensee  
 1601 must annually on or before January 1, on a form prescribed by  
 1602 the department ~~commission~~, submit an affidavit certifying that



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1603 the licensee is familiar with and understands the insurance laws  
 1604 and administrative rules of this state and the provisions of the  
 1605 contracts negotiated or to be negotiated. Compliance with this  
 1606 filing requirement is a condition precedent to the issuance,  
 1607 continuation, reinstatement, or renewal of a nonresident  
 1608 independent adjuster's appointment.

1609 Section 61. Subsection (4) of section 626.8736, Florida  
 1610 Statutes, is amended to read:

1611 626.8736 Nonresident independent or public adjusters;  
 1612 service of process.--

1613 (4) Upon receiving the service, the Chief Financial  
 1614 Officer shall forthwith send one of the copies of the process,  
 1615 by registered mail with return receipt requested, to the  
 1616 defendant nonresident independent or public adjuster at his or  
 1617 her last address of record with the department office.

1618 Section 62. Section 626.8738, Florida Statutes, is amended  
 1619 to read:

1620 626.8738 Penalty for violation.--In addition to any other  
 1621 remedy imposed pursuant to this code, any person who acts as a  
 1622 resident or nonresident public adjuster or holds himself or  
 1623 herself out to be a public adjuster to adjust claims in this  
 1624 state, without being licensed by the department office as a  
 1625 public adjuster and appointed as a public adjuster, commits a  
 1626 felony of the third degree, punishable as provided in s.  
 1627 775.082, s. 775.083, or s. 775.084. Each act in violation of  
 1628 this section constitutes a separate offense.

1629 Section 63. Section 626.874, Florida Statutes, is amended  
 1630 to read:

1631 626.874 Catastrophe or emergency adjusters.--

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1632 (1) In the event of a catastrophe or emergency, the  
 1633 department ~~office~~ may issue a license, for the purposes and  
 1634 under the conditions which it shall fix and for the period of  
 1635 emergency as it shall determine, to persons who are residents or  
 1636 nonresidents of this state, who are at least 18 years of age,  
 1637 who are United States citizens or legal aliens who possess work  
 1638 authorization from the United States Immigration and  
 1639 Naturalization Service, and who are not licensed adjusters under  
 1640 this part but who have been designated and certified to it as  
 1641 qualified to act as adjusters by independent resident adjusters  
 1642 or by an authorized insurer or by a licensed general lines agent  
 1643 to adjust claims, losses, or damages under policies or contracts  
 1644 of insurance issued by such insurers. The fee for the license  
 1645 shall be as provided in s. 624.501(12)(c).

1646 (2) If any person not a licensed adjuster who has been  
 1647 permitted to adjust such losses, claims, or damages under the  
 1648 conditions and circumstances set forth in subsection (1),  
 1649 engages in any of the misconduct described in or contemplated by  
 1650 ss. 626.611 and 626.621, the department ~~office~~, without notice  
 1651 and hearing, shall be authorized to issue its order denying such  
 1652 person the privileges granted under this section; and thereafter  
 1653 it shall be unlawful for any such person to adjust any such  
 1654 losses, claims, or damages in this state.

1655 Section 64. Section 626.878, Florida Statutes, is amended  
 1656 to read:

1657 626.878 Rules; code of ethics.--An adjuster shall  
 1658 subscribe to the code of ethics specified in the rules of the  
 1659 department ~~commission~~. The rules shall implement the provisions  
 1660 of this part and specify the terms and conditions of contracts,

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1661 including a right to cancel, and require practices necessary to  
 1662 ensure fair dealing, prohibit conflicts of interest, and ensure  
 1663 preservation of the rights of the claimant to participate in the  
 1664 adjustment of claims.

1665 Section 65. Section 627.7012, Florida Statutes, is  
 1666 transferred and renumbered as section 626.879, Florida Statutes,  
 1667 and amended to read:

1668 626.879 ~~627.7012~~ Pools of insurance adjusters.—The  
 1669 department ~~commission~~ may, by rule, establish a pool of  
 1670 qualified insurance adjusters. The rules must provide that, if a  
 1671 hurricane occurs or an emergency is declared, the department  
 1672 ~~office~~ may assign members of the pool to the affected area and  
 1673 that an insurer may request that a member of the pool adjust  
 1674 claims in the assigned area. The rules may not require that an  
 1675 insurer use those adjusters assigned by the department ~~office~~.

1676 Section 66. Subsection (3) of section 626.9543, Florida  
 1677 Statutes, is amended to read:

1678 626.9543 Holocaust victims.--

1679 (3) DEFINITIONS.--For the purpose of this section:

1680 ~~(a) "Department" means the Department of Insurance.~~

1681 (a)(b) "Holocaust victim" means any person who lost his or  
 1682 her life or property as a result of discriminatory laws,  
 1683 policies, or actions targeted against discrete groups of persons  
 1684 between 1920 and 1945, inclusive, in Nazi Germany, areas  
 1685 occupied by Nazi Germany, or countries allied with Nazi Germany.

1686 (b)(e) "Insurance policy" means, but is not limited to,  
 1687 life insurance, property insurance, or education policies.

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1688        (c)~~(d)~~ "Legal relationship" means any parent, subsidiary,  
 1689 or affiliated company with an insurer doing business in this  
 1690 state.

1691        (d)~~(e)~~ "Proceeds" means the face or other payout value of  
 1692 policies and annuities plus reasonable interest to date of  
 1693 payments without diminution for wartime or immediate postwar  
 1694 currency devaluation.

1695            Section 67. Subsection (9) of section 626.989, Florida  
 1696 Statutes, is amended to read:

1697            626.989 Investigation by department or Division of  
 1698 Insurance Fraud; compliance; immunity; confidential information;  
 1699 reports to division; division investigator's power of arrest.--

1700            (9) In recognition of the complementary roles of  
 1701 investigating instances of workers' compensation fraud and  
 1702 enforcing compliance with the workers' compensation coverage  
 1703 requirements under chapter 440, the Department of Financial  
 1704 Services shall prepare and submit a joint performance report to  
 1705 the President of the Senate and the Speaker of the House of  
 1706 Representatives by November 1, 2003, and then by January 1 of  
 1707 each year. The annual report must include, but need not be  
 1708 limited to:

1709            (a) The total number of initial referrals received, cases  
 1710 opened, cases presented for prosecution, cases closed, and  
 1711 convictions resulting from cases presented for prosecution by  
 1712 the Bureau of Workers' Compensation Insurance Fraud by type of  
 1713 workers' compensation fraud and circuit.

1714            (b) The number of referrals received from insurers and the  
 1715 Division of Workers' Compensation and the outcome of those  
 1716 referrals.

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1717 (c) The number of investigations undertaken by the bureau  
 1718 ~~office~~ which were not the result of a referral from an insurer  
 1719 or the Division of Workers' Compensation.

1720 (d) The number of investigations that resulted in a  
 1721 referral to a regulatory agency and the disposition of those  
 1722 referrals.

1723 (e) The number and reasons provided by local prosecutors  
 1724 or the statewide prosecutor for declining prosecution of a case  
 1725 presented by the bureau ~~office~~ by circuit.

1726 (f) The total number of employees assigned to the bureau  
 1727 ~~office~~ and the Division of Workers' Compliance unit delineated  
 1728 by location of staff assigned and the number and location of  
 1729 employees assigned to the bureau ~~office~~ who were assigned to  
 1730 work other types of fraud cases.

1731 (g) The average caseload and turnaround time by type of  
 1732 case for each investigator and division compliance employee.

1733 (h) The training provided during the year to workers'  
 1734 compensation fraud investigators and the division's compliance  
 1735 employees.

1736 Section 68. Paragraphs (b) and (c) of subsection (2) of  
 1737 section 627.0628, Florida Statutes, are amended to read:

1738 627.0628 Florida Commission on Hurricane Loss Projection  
 1739 Methodology.--

1740 (2) COMMISSION CREATED.--

1741 (b) The commission shall consist of the following 11  
 1742 members:

1743 1. The insurance consumer advocate.

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1744           2. The senior employee of the State Board of  
 1745 Administration responsible for operations of the Florida  
 1746 Hurricane Catastrophe Fund.

1747           3. The Executive Director of the Citizens Property  
 1748 Insurance Corporation.

1749           4. The Director of the Division of Emergency Management of  
 1750 the Department of Community Affairs.

1751           5. The actuary member of the Florida Hurricane Catastrophe  
 1752 Fund Advisory Council.

1753           6. An employee of the office who is an actuary responsible  
 1754 for property insurance rate filings and who is appointed by the  
 1755 Director of the Office of Insurance Regulation.

1756           ~~7.6.~~ Five ~~Six~~ members appointed by the Chief Financial  
 1757 Officer, as follows:

1758           ~~a. An employee of the office who is an actuary responsible~~  
 1759 ~~for property insurance rate filings.~~

1760           ~~a.b.~~ An actuary who is employed full time by a property  
 1761 and casualty insurer which was responsible for at least 1  
 1762 percent of the aggregate statewide direct written premium for  
 1763 homeowner's insurance in the calendar year preceding the  
 1764 member's appointment to the commission.

1765           ~~b.e.~~ An expert in insurance finance who is a full time  
 1766 member of the faculty of the State University System and who has  
 1767 a background in actuarial science.

1768           ~~c.d.~~ An expert in statistics who is a full time member of  
 1769 the faculty of the State University System and who has a  
 1770 background in insurance.

1771           ~~d.e.~~ An expert in computer system design who is a full  
 1772 time member of the faculty of the State University System.

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1773 ~~e.f.~~ An expert in meteorology who is a full time member of  
 1774 the faculty of the State University System and who specializes  
 1775 in hurricanes.

1776 (c) Members designated under subparagraphs (b)1.-5. shall  
 1777 serve on the commission as long as they maintain the respective  
 1778 offices designated in subparagraphs (b)1.-5. Members appointed  
 1779 by the Chief Financial Officer under subparagraph (b)~~7.6~~ shall  
 1780 serve on the commission until the end of the term of office of  
 1781 the Chief Financial Officer who appointed them, unless earlier  
 1782 removed by the Chief Financial Officer for cause. Vacancies on  
 1783 the commission shall be filled in the same manner as the  
 1784 original appointment.

1785 Section 69. Section 627.285, Florida Statutes, is amended  
 1786 to read:

1787 627.285 Independent actuarial peer review of workers'  
 1788 compensation rating organization.--The office ~~Financial Services~~  
 1789 ~~Commission~~ shall at least once every other year contract for an  
 1790 independent actuarial peer review and analysis of the ratemaking  
 1791 processes of any licensed rating organization that makes rate  
 1792 filings for workers' compensation insurance, and the rating  
 1793 organization shall fully cooperate in the peer review. The  
 1794 contract shall require submission of a final report to the  
 1795 commission, the President of the Senate, and the Speaker of the  
 1796 House of Representatives by February 1. The first report shall  
 1797 be submitted by February 1, 2004. The costs of the independent  
 1798 actuarial peer review shall be paid from the Workers'  
 1799 Compensation Administration Trust Fund.

1800 Section 70. Paragraph (b) of subsection (11) of section  
 1801 627.6699, Florida Statutes, is amended to read:

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1802 627.6699 Employee Health Care Access Act.--

1803 (11) SMALL EMPLOYER HEALTH REINSURANCE PROGRAM.--

1804 (b)1. The program shall operate subject to the supervision  
1805 and control of the board.

1806 2. Effective upon this act becoming a law, the board shall  
1807 consist of the Director of the Office of Insurance Regulation  
1808 ~~Chief Financial Officer~~ or his or her designee, who shall serve  
1809 as the chairperson, and 13 additional members who are  
1810 representatives of carriers and insurance agents and are  
1811 appointed by the Director of the Office of Insurance Regulation  
1812 ~~Chief Financial Officer~~ and serve as follows:

1813 a. The Director of the Office of Insurance Regulation  
1814 ~~Chief Financial Officer~~ shall include representatives of small  
1815 employer carriers subject to assessment under this subsection.  
1816 If two or more carriers elect to be risk-assuming carriers, the  
1817 membership must include at least two representatives of risk-  
1818 assuming carriers; if one carrier is risk-assuming, one member  
1819 must be a representative of such carrier. At least one member  
1820 must be a carrier who is subject to the assessments, but is not  
1821 a small employer carrier. Subject to such restrictions, at least  
1822 five members shall be selected from individuals recommended by  
1823 small employer carriers pursuant to procedures provided by rule  
1824 of the commission. Three members shall be selected from a list  
1825 of health insurance carriers that issue individual health  
1826 insurance policies. At least two of the three members selected  
1827 must be reinsuring carriers. Two members shall be selected from  
1828 a list of insurance agents who are actively engaged in the sale  
1829 of health insurance.



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1830           b. A member appointed under this subparagraph shall serve  
 1831 a term of 4 years and shall continue in office until the  
 1832 member's successor takes office, except that, in order to  
 1833 provide for staggered terms, the Director of the Office of  
 1834 Insurance Regulation ~~Chief Financial Officer~~ shall designate two  
 1835 of the initial appointees under this subparagraph to serve terms  
 1836 of 2 years and shall designate three of the initial appointees  
 1837 under this subparagraph to serve terms of 3 years.

1838           3. The Director of the Office of Insurance Regulation  
 1839 ~~Chief Financial Officer~~ may remove a member for cause.

1840           4. Vacancies on the board shall be filled in the same  
 1841 manner as the original appointment for the unexpired portion of  
 1842 the term.

1843           5. The Director of the Office of Insurance Regulation  
 1844 ~~Chief Financial Officer~~ may require an entity that recommends  
 1845 persons for appointment to submit additional lists of  
 1846 recommended appointees.

1847           Section 71. The transfer of the regulation of adjusters  
 1848 from the Office of Insurance Regulation to the Department of  
 1849 Financial Services by this act shall not affect the regulation  
 1850 of adjusters in any administrative or judicial action of the  
 1851 Office of Insurance Regulation arising out of or involving the  
 1852 Office of Insurance Regulation prior to or pending on the  
 1853 effective date of this act, and the Department of Financial  
 1854 Services shall be substituted as a party in interest on any such  
 1855 pending action.

1856           Section 72. Any license, form, or action that was approved  
 1857 or authorized by the Financial Services Commission or the Office  
 1858 of Insurance Regulation that was otherwise lawfully in use prior

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1859 to the effective date of this act may continue to be used, or be  
 1860 effective as originally authorized or permitted, until the  
 1861 Department of Financial Services otherwise prescribes.

1862 Section 73. Upon the effective date of this act, the rules  
 1863 or portions thereof of the Financial Services Commission that  
 1864 govern the regulation of insurance adjusters shall become rules  
 1865 or portions thereof of the Department of Financial Services as  
 1866 is appropriate to the corresponding regulatory or constitutional  
 1867 function and shall remain in effect until specifically amended  
 1868 or repealed in the manner provided by law.

1869 Section 74. This act shall take effect upon becoming a  
 1870 law.

1871