

CHAMBER ACTION

1 The Committee on State Administration recommends the following:

2  
3 **Committee Substitute**

4 Remove the entire bill and insert:

5 A bill to be entitled

6 An act relating to the Department of Financial Services;  
7 transferring regulation of insurance adjusters from the  
8 Office of Insurance Regulation to the Department of  
9 Financial Services; amending s. 17.16, F.S.; providing for  
10 the Chief Financial Officer to have an official seal for  
11 certain purposes; amending s. 20.121, F.S.; providing for  
12 the Chief Financial Officer to also be known as the  
13 Treasurer; providing for the head of the Office of  
14 Insurance Regulation to also be known as the Commissioner  
15 of Insurance Regulation; providing for the head of the  
16 Office of Financial Regulation to also be known as the  
17 Commissioner of Financial Regulation; amending ss.

18 110.1227, 408.05, 516.35, 624.313, 624.317, 624.501,  
19 626.016, 626.112, 626.161, 626.171, 626.181, 626.191,  
20 626.211, 626.221, 626.231, 626.241, 626.251, 626.261,  
21 626.266, 626.271, 626.281, 626.2817, 626.291, 626.301,  
22 626.371, 626.381, 626.431, 626.461, 626.471, 626.521,  
23 626.541, 626.551, 626.611, 626.621, 626.631, 626.641,

24 | 626.661, 626.681, 626.691, 626.692, 626.8582, 626.8584,  
 25 | 626.859, 626.863, 626.865, 626.866, 626.867, 626.869,  
 26 | 626.8695, 626.8696, 626.8697, 626.8698, 626.870, 626.871,  
 27 | 626.872, 626.873, 626.8732, 626.8734, 626.8736, 626.8738,  
 28 | 626.874, 626.878, 627.7012, 626.9543, 626.989, 627.0628,  
 29 | 627.285, and 627.6699, F.S.; reallocating duties and  
 30 | responsibilities of the department, the office, and the  
 31 | Financial Services Commission to conform; reallocating  
 32 | duties and responsibilities of the director of the office  
 33 | and the Chief Financial Officer to conform; specifying  
 34 | that the transfer does not affect the regulation of  
 35 | adjusters in administrative or judicial proceedings;  
 36 | providing for substitution of appropriate parties in  
 37 | interest in such proceedings; preserving certain licenses,  
 38 | forms, and actions; specifying application of rules of the  
 39 | office regulating adjusters as rules of the department;  
 40 | amending s. 501.212, F.S.; reallocating duties and  
 41 | responsibilities of the department, the office, and the  
 42 | Financial Services Commission to conform; expanding  
 43 | certain nonapplication provisions relating to certain real  
 44 | estate practices to include persons or private parties  
 45 | seeking certain relief for actions pertaining to  
 46 | commercial real property under certain circumstances;  
 47 | providing an exception; amending s. 215.31, F.S.;  
 48 | requiring state agencies and other affiliated entities to  
 49 | deposit any settlement proceeds resulting from a claim  
 50 | brought on behalf of the state into the State Treasury;  
 51 | providing exceptions; amending s. 215.95, F.S.; adding the

52 Commissioner of Agriculture to the Financial Management  
53 Information Board; amending s. 215.96, F.S.; adding the  
54 Commissioner of Agriculture to the Coordinating Council of  
55 the Financial Management Information Board; delaying the  
56 repeal date for provisions relating to the Enterprise  
57 Resource Planning Integration Task Force; creating s.  
58 17.0416, F.S.; authorizing the Chief Financial Officer to  
59 provide certain services on a fee basis under certain  
60 circumstances; authorizing the Department of Financial  
61 Services to adopt rules; amending s. 17.57, F.S.;  
62 expanding an authorization for the Chief Financial Officer  
63 to invest certain funds to include reverse repurchase  
64 agreements; amending s. 17.59, F.S.; requiring the Chief  
65 Financial Officer to administer a collateral management  
66 service for state agencies required to deposit or pledge  
67 collateral; specifying eligible collateral arrangements;  
68 authorizing the Chief Financial Officer to adopt rules to  
69 manage and maintain the collateral management service;  
70 requiring the Chief Financial Officer to collect certain  
71 charges as specified in service level agreements; deleting  
72 certain specified charges for copies and certificates;  
73 amending s. 17.61, F.S.; expanding an authorization for  
74 the Chief Financial Officer to invest certain funds of  
75 certain boards, associations, or entities; amending s.  
76 112.215, F.S.; requiring administrative costs of a  
77 deferred compensation plan to be self-funded; requiring  
78 self-funding fees to be paid by investment providers;  
79 authorizing recoupment of such fees from plan

80 participants; requiring deposit of such fees into the  
 81 Deferred Compensation Trust Fund; authorizing certain  
 82 investment option providers to be exempt from certain  
 83 qualified public depository requirements; amending s.  
 84 287.064, F.S.; authorizing certain costs incurred pursuant  
 85 to guaranteed energy performance savings contracts to be  
 86 financed by a master equipment financing agreement;  
 87 providing an exception; providing time limitations on  
 88 certain repayments of funds; providing an effective date.

89

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

91

92 Section 1. Section 17.16, Florida Statutes, is amended to  
 93 read:

94 17.16 Seal.--The ~~seal of office of the~~ Chief Financial  
 95 Officer shall have an official ~~be the same as the seal by which~~  
 96 the proceedings of the office are authenticated heretofore used  
 97 ~~for that purpose.~~

98 Section 2. Subsection (1) and paragraph (a) of subsection  
 99 (3) of section 20.121, Florida Statutes, are amended to read:

100 20.121 Department of Financial Services.--There is created  
 101 a Department of Financial Services.

102 (1) DEPARTMENT HEAD.--The head of the Department of  
 103 Financial Services is the Chief Financial Officer, who may also  
 104 be known as the Treasurer.

105 (3) FINANCIAL SERVICES COMMISSION.--Effective January 7,  
 106 2003, there is created within the Department of Financial  
 107 Services the Financial Services Commission, composed of the

108 Governor, the Attorney General, the Chief Financial Officer, and  
 109 the Commissioner of Agriculture, which shall for purposes of  
 110 this section be referred to as the commission. Commission  
 111 members shall serve as agency head of the Financial Services  
 112 Commission. The commission shall be a separate budget entity and  
 113 shall be exempt from the provisions of s. 20.052. Commission  
 114 action shall be by majority vote consisting of at least three  
 115 affirmative votes. The commission shall not be subject to  
 116 control, supervision, or direction by the Department of  
 117 Financial Services in any manner, including purchasing,  
 118 transactions involving real or personal property, personnel, or  
 119 budgetary matters.

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

123 1. The Office of Insurance Regulation, which shall be  
 124 responsible for all activities concerning insurers and other  
 125 risk bearing entities, including licensing, rates, policy forms,  
 126 market conduct, claims, ~~adjusters~~, issuance of certificates of  
 127 authority, solvency, viatical settlements, premium financing,  
 128 and administrative supervision, as provided under the insurance  
 129 code or chapter 636. The head of the Office of Insurance  
 130 Regulation is the Director of the Office of Insurance  
 131 Regulation, who may also be known as the Commissioner of  
 132 Insurance Regulation.

133 2. The Office of Financial Regulation, which shall be  
 134 responsible for all activities of the Financial Services  
 135 Commission relating to the regulation of banks, credit unions,

136 other financial institutions, finance companies, and the  
 137 securities industry. The head of the office is the Director of  
 138 the Office of Financial Regulation, who may also be known as the  
 139 Commissioner of Financial Regulation. The Office of Financial  
 140 Regulation shall include a Bureau of Financial Investigations,  
 141 which shall function as a criminal justice agency for purposes  
 142 of ss. 943.045-943.08 and shall have a separate budget. The  
 143 bureau may conduct investigations within or outside this state  
 144 as the bureau deems necessary to aid in the enforcement of this  
 145 section. If, during an investigation, the office has reason to  
 146 believe that any criminal law of this state has or may have been  
 147 violated, the office shall refer any records tending to show  
 148 such violation to state or federal law enforcement or  
 149 prosecutorial agencies and shall provide investigative  
 150 assistance to those agencies as required.

151 Section 3. Paragraph (b) of subsection (6) of section  
 152 110.1227, Florida Statutes, is amended to read:

153 110.1227 Florida Employee Long-Term-Care Plan Act.--

154 (6) A Florida Employee Long-Term-Care Plan Board of  
 155 Directors is created, composed of nine members who shall serve  
 156 2-year terms, to be appointed after May 1, 1999, as follows:

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

159 Section 4. Paragraph (a) of subsection (8) of section  
 160 408.05, Florida Statutes, is amended to read:

161 408.05 State Center for Health Statistics.--

162 (8) STATE COMPREHENSIVE HEALTH INFORMATION SYSTEM ADVISORY  
 163 COUNCIL.--

164 (a) There is established in the agency the State  
 165 Comprehensive Health Information System Advisory Council to  
 166 assist the center in reviewing the comprehensive health  
 167 information system and to recommend improvements for such  
 168 system. The council shall consist of the following members:

169 1. An employee of the Executive Office of the Governor, to  
 170 be appointed by the Governor.

171 2. An employee of the Office of Insurance Regulation  
 172 ~~Department of Financial Services~~, to be appointed by the  
 173 director of the office ~~Chief Financial Officer~~.

174 3. An employee of the Department of Education, to be  
 175 appointed by the Commissioner of Education.

176 4. Ten persons, to be appointed by the Secretary of Health  
 177 Care Administration, representing other state and local  
 178 agencies, state universities, the Florida Association of  
 179 Business/Health Coalitions, local health councils, professional  
 180 health-care-related associations, consumers, and purchasers.

181 Section 5. Subsection (4) of section 501.212, Florida  
 182 Statutes, is amended, and subsection (7) is added to said  
 183 section, to read:

184 501.212 Application.--This part does not apply to:

185 (4) Any person or activity regulated under laws  
 186 administered by:

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

189 (b) Banks and savings and loan associations regulated by  
 190 the Office of Financial Regulation of the Financial Services  
 191 Commission; ~~or~~

192        (c) Banks or savings and loan associations regulated by  
 193 federal agencies; or

194        (d) Any person or activity regulated under the laws  
 195 administered by the former Department of Insurance that are now  
 196 administered by the Department of Financial Services.

197        (7) Any person seeking relief for actions pertaining to  
 198 the commercial ownership, use, maintenance, development, or  
 199 possession of, or a lien of record upon, real property located  
 200 in this state if the parties to the action executed a written  
 201 contract or agreement that expressly provides for the process of  
 202 resolution of any dispute and the award of damages, attorney's  
 203 fees, and costs, if any, or if the action is one that concerns  
 204 maintenance of real property and there are provisions of law  
 205 that specifically require the owner of the property to comply  
 206 with applicable building, housing, and health codes and maintain  
 207 common areas in a good state of repair, appearance, safety, and  
 208 cleanliness and if the owner's failure to comply may result in  
 209 legal or equitable remedies, including the award of attorney's  
 210 fees. However, nothing in this subsection is intended to  
 211 prohibit the enforcing authority from retaining exclusive  
 212 jurisdiction to bring any cause of action authorized under s.  
 213 501.207 and to seek any civil penalty authorized under s.  
 214 501.2075 for actions pertaining to the ownership, use,  
 215 maintenance, development, or possession of, or a lien of record  
 216 upon, real property located in this state.

217        Section 6. Subsection (1) of section 516.35, Florida  
 218 Statutes, is amended to read:



219 516.35 Credit insurance must comply with credit insurance  
220 act.--

221 (1) Tangible property offered as security may be  
222 reasonably insured against loss for a reasonable term,  
223 considering the circumstances of the loan. If such insurance is  
224 sold at standard rates through a person duly licensed by the  
225 ~~Department Office of Insurance Regulation~~ of the Financial  
226 Services ~~Commission~~ and if the policy is payable to the borrower  
227 or any member of her or his family, it shall not be deemed to be  
228 a collateral sale, purchase, or agreement even though a  
229 customary mortgagee clause is attached or the licensee is a  
230 coassured.

231 Section 7. Subsection (2) of section 624.313, Florida  
232 Statutes, is amended to read:

233 624.313 Publications.--

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

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

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

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

246 Section 8. Section 624.317, Florida Statutes, is amended  
247 to read:

248 624.317 Investigation of agents, adjusters,  
249 administrators, service companies, and others.--If it has reason  
250 to believe that any person has violated or is violating any  
251 provision of this code, or upon the written complaint signed by  
252 any interested person indicating that any such violation may  
253 exist:

254 (1) The department shall conduct such investigation as it  
255 deems necessary of the accounts, records, documents, and  
256 transactions pertaining to or affecting the insurance affairs of  
257 any general agent, adjuster, surplus line agent, managing  
258 general agent, insurance agent, customer representative, service  
259 representative, or other person subject to its jurisdiction,  
260 subject to the requirements of s. 626.601.

261 (2) The office shall conduct such investigation as it  
262 deems necessary of the accounts, records, documents, and  
263 transactions pertaining to or affecting the insurance affairs of  
264 any:

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

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

270 (c) Person engaged in or proposing to be engaged in the  
271 promotion or formation of:

- 272 1. A domestic insurer;
- 273 2. An insurance holding corporation; or

274 3. A corporation to finance a domestic insurer or in the  
275 production of the domestic insurer's business.

276 Section 9. Subsection (12) of section 624.501, Florida  
277 Statutes, is amended to read:

278 624.501 Filing, license, appointment, and miscellaneous  
279 fees.--The department, commission, or office, as appropriate,  
280 shall collect in advance, and persons so served shall pay to it  
281 in advance, fees, licenses, and miscellaneous charges as  
282 follows:

283 (12) Adjusters:

284 (a) Adjuster's original appointment and biennial renewal  
285 or continuation thereof, appointment fee.....\$60.00

286 (b) Nonresident adjuster's original appointment and  
287 biennial renewal or continuation thereof, appointment  
288 fee.....\$60.00

289 (c) Emergency adjuster's license, appointment fee...\$10.00

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

292 Section 10. Subsections (1) and (2) of section 626.016,  
293 Florida Statutes, are amended to read:

294 626.016 Powers and duties of department, commission, and  
295 office.--

296 (1) The powers and duties of the Chief Financial Officer  
297 and the department specified in this part apply only with  
298 respect to insurance agents, managing general agents, insurance  
299 adjusters, reinsurance intermediaries, viatical settlement  
300 brokers, customer representatives, service representatives, and  
301 agencies.

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

306 Section 11. Paragraph (a) of subsection (1) of section  
 307 626.112, Florida Statutes, is amended to read:

308 626.112 License and appointment required; agents, customer  
 309 representatives, adjusters, insurance agencies, service  
 310 representatives, managing general agents.--

311 (1)(a) No person may be, act as, or advertise or hold  
 312 himself or herself out to be an insurance agent, insurance  
 313 adjuster, or customer representative unless he or she is  
 314 currently licensed by the department and appointed by an  
 315 appropriate appointing entity or person ~~one or more insurers~~. ~~No~~  
 316 ~~person may be, act as, or advertise or hold himself or herself~~  
 317 ~~out to be an insurance adjuster unless he or she is currently~~  
 318 ~~licensed by the office and appointed by one or more insurers.~~

319  
 320 However, an employee leasing company licensed pursuant to  
 321 chapter 468 which is seeking to enter into a contract with an  
 322 employer that identifies products and services offered to  
 323 employees may deliver proposals for the purchase of employee  
 324 leasing services to prospective clients of the employee leasing  
 325 company setting forth the terms and conditions of doing  
 326 business; classify employees as permitted by s. 468.529; collect  
 327 information from prospective clients and other sources as  
 328 necessary to perform due diligence on the prospective client and  
 329 to prepare a proposal for services; provide and receive

330 enrollment forms, plans, and other documents; and discuss or  
 331 explain in general terms the conditions, limitations, options,  
 332 or exclusions of insurance benefit plans available to the client  
 333 or employees of the employee leasing company were the client to  
 334 contract with the employee leasing company. Any advertising  
 335 materials or other documents describing specific insurance  
 336 coverages must identify and be from a licensed insurer or its  
 337 licensed agent or a licensed and appointed agent employed by the  
 338 employee leasing company. The employee leasing company may not  
 339 advise or inform the prospective business client or individual  
 340 employees of specific coverage provisions, exclusions, or  
 341 limitations of particular plans. As to clients for which the  
 342 employee leasing company is providing services pursuant to s.  
 343 468.525(4), the employee leasing company may engage in  
 344 activities permitted by ss. 626.7315, 626.7845, and 626.8305,  
 345 subject to the restrictions specified in those sections. If a  
 346 prospective client requests more specific information concerning  
 347 the insurance provided by the employee leasing company, the  
 348 employee leasing company must refer the prospective business  
 349 client to the insurer or its licensed agent or to a licensed and  
 350 appointed agent employed by the employee leasing company.

351 Section 12. Section 626.161, Florida Statutes, is amended  
 352 to read:

353 626.161 Licensing forms.--The department shall prescribe  
 354 and furnish all printed forms required in connection with the  
 355 application for issuance of and termination of all licenses and  
 356 appointments, ~~except that, with respect to adjusters, the~~

357 ~~commission shall prescribe and the office shall furnish such~~  
358 ~~forms.~~

359 Section 13. Subsection (1), paragraph (f) of subsection  
360 (2), and subsection (5) of section 626.171, Florida Statutes,  
361 are amended to read:

362 626.171 Application for license.--

363 (1) The department ~~or office~~ shall not issue a license as  
364 agent, customer representative, adjuster, insurance agency,  
365 service representative, managing general agent, or reinsurance  
366 intermediary to any person except upon written application  
367 therefor filed with it, qualification therefor, and payment in  
368 advance of all applicable fees. Any such application shall be  
369 made under the oath of the applicant and be signed by the  
370 applicant. Beginning November 1, 2002, the department shall  
371 accept the uniform application for nonresident agent licensing.  
372 The department may adopt revised versions of the uniform  
373 application by rule.

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

375 (f) Such other or additional information as the department  
376 ~~or office~~ may deem proper to enable it to determine the  
377 character, experience, ability, and other qualifications of the  
378 applicant to hold himself or herself out to the public as an  
379 insurance representative.

380 (5) An application for a license as an agent, customer  
381 representative, adjuster, insurance agency, service  
382 representative, managing general agent, or reinsurance  
383 intermediary must be accompanied by a set of the individual  
384 applicant's fingerprints, or, if the applicant is not an

HB 1695 CS

2004  
CS

385 individual, by a set of the fingerprints of the sole proprietor,  
 386 majority owner, partners, officers, and directors, on a form  
 387 adopted by rule of the department ~~or commission~~ and accompanied  
 388 by the fingerprint processing fee set forth in s. 624.501.  
 389 Fingerprints shall be used to investigate the applicant's  
 390 qualifications pursuant to s. 626.201. The fingerprints shall be  
 391 taken by a law enforcement agency or other department-approved  
 392 entity.

393 Section 14. Section 626.181, Florida Statutes, is amended  
 394 to read:

395 626.181 Number of applications for licensure  
 396 required.--After a license as agent, customer representative, or  
 397 adjuster has been issued to an individual, the same individual  
 398 shall not be required to take another examination for a similar  
 399 license, regardless, in the case of an agent, of the number of  
 400 insurers to be represented by him or her as agent, unless:

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

403 (2) During any period of 48 months since the filing of the  
 404 original license application, such individual was not appointed  
 405 as an agent, customer representative, or adjuster, unless the  
 406 failure to be so appointed was due to military service, in which  
 407 event the period within which a new application is not required  
 408 may, in the discretion of the department ~~or office~~, be extended  
 409 to 12 months following the date of discharge from military  
 410 service if the military service does not exceed 3 years, but in  
 411 no event to extend under this clause for a period of more than 6

HB 1695 CS

2004  
CS

412 | years from the date of filing of the original application for  
413 | license.

414 |       Section 15. Section 626.191, Florida Statutes, is amended  
415 | to read:

416 |           626.191 Repeated applications.--The failure of an  
417 | applicant to secure a license upon an application shall not  
418 | preclude him or her from applying again as many times as  
419 | desired, but the department ~~or office~~ shall not give  
420 | consideration to or accept any further application by the same  
421 | individual for a similar license dated or filed within 30 days  
422 | subsequent to the date the department ~~or office~~ denied the last  
423 | application, except as provided in s. 626.281.

424 |       Section 16. Section 626.211, Florida Statutes, is amended  
425 | to read:

426 |           626.211 Approval, disapproval of application.--

427 |       (1) If upon the basis of a completed application for  
428 | license and such further inquiry or investigation as the  
429 | department ~~or office~~ may make concerning an applicant the  
430 | department ~~or office~~ is satisfied that, subject to any  
431 | examination required to be taken and passed by the applicant for  
432 | a license, the applicant is qualified for the license applied  
433 | for and that all pertinent fees have been paid, it shall approve  
434 | the application. The department ~~or office~~ shall not deny, delay,  
435 | or withhold approval of an application due to the fact that it  
436 | has not received a criminal history report based on the  
437 | applicant's fingerprints.

438 |       (2) Upon approval of an applicant for license as agent,  
439 | customer representative, or adjuster who is subject to written



440 examination, the department ~~or office~~ shall notify the applicant  
441 when and where he or she may take the required examination.

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

445 (4) If upon the basis of the completed application and  
446 such further inquiry or investigation the department ~~or office~~  
447 deems the applicant to be lacking in any one or more of the  
448 required qualifications for the license applied for, the  
449 department ~~or office~~ shall disapprove the application and notify  
450 the applicant, stating the grounds of disapproval.

451 Section 17. Subsection (1) and paragraphs (a), (c), (d),  
452 (f), (g), and (l) of subsection (2) of section 626.221, Florida  
453 Statutes, are amended to read:

454 626.221 Examination requirement; exemptions.--

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

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

462 (a) An applicant for renewal of appointment as an agent,  
463 customer representative, or adjuster, unless the department ~~or~~  
464 ~~office~~ determines that an examination is necessary to establish  
465 the competence or trustworthiness of such applicant.

466 (c) In the discretion of the department ~~or office~~, an  
467 applicant for reinstatement of license or appointment as an

468 agent, customer representative, or adjuster whose license has  
 469 been suspended within 2 years prior to the date of application  
 470 or written request for reinstatement.

471 (d) An applicant who, within 2 years prior to application  
 472 for license and appointment as an agent, customer  
 473 representative, or adjuster, was a full-time salaried employee  
 474 of the department ~~or office~~ and had continuously been such an  
 475 employee with responsible insurance duties for not less than 2  
 476 years and who had been a licensee within 2 years prior to  
 477 employment by the department ~~or office~~ with the same class of  
 478 license as that being applied for.

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

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

494 (l) An applicant for license as an adjuster who has the  
 495 designation of Accredited Claims Adjuster (ACA) from a

496 regionally accredited postsecondary institution in this state,  
 497 or the designation of Professional Claims Adjuster (PCA) from  
 498 the Professional Career Institute, whose curriculum has been  
 499 approved by the department ~~office~~ and whose curriculum includes  
 500 comprehensive analysis of basic property and casualty lines of  
 501 insurance and testing at least equal to that of standard  
 502 department ~~office~~ testing for the all-lines adjuster license.  
 503 The department ~~commission~~ shall adopt rules establishing  
 504 standards for the approval of curriculum.

505 Section 18. Section 626.231, Florida Statutes, is amended  
 506 to read:

507 626.231 Eligibility for examination.--No person shall be  
 508 permitted to take an examination for license until his or her  
 509 application for the license has been approved and the required  
 510 fees have been received by the department ~~or office~~ or a person  
 511 designated by the department ~~or office~~ to administer the  
 512 examination.

513 Section 19. Subsection (1) of section 626.241, Florida  
 514 Statutes, is amended to read:

515 626.241 Scope of examination.--

516 (1) Each examination for a license as agent, customer  
 517 representative, or adjuster shall be of such scope as is deemed  
 518 by the department ~~or office~~ to be reasonably necessary to test  
 519 the applicant's ability and competence and knowledge of the  
 520 kinds of insurance and transactions to be handled under the  
 521 license applied for, of the duties and responsibilities of such  
 522 a licensee, and of the pertinent provisions of the laws of this  
 523 state.

524 Section 20. Section 626.251, Florida Statutes, is amended  
525 to read:

526 626.251 Time and place of examination; notice.--

527 (1) The department ~~or office~~ or a person designated by the  
528 department ~~or office~~ shall mail written notice of the time and  
529 place of the examination to each applicant for license required  
530 to take an examination who will be eligible to take the  
531 examination as of the examination date. The notice shall be so  
532 mailed, postage prepaid, and addressed to the applicant at his  
533 or her address shown on the application for license or at such  
534 other address as requested by the applicant in writing filed  
535 with the department ~~or office~~ prior to the mailing of the  
536 notice. Notice shall be deemed given when so mailed.

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

539 (3) The department ~~or office~~ shall make an examination  
540 available to the applicant, to be taken as soon as reasonably  
541 possible after the applicant is eligible therefor. Any  
542 examination required under this part shall be available in this  
543 state at a designated examination center.

544 Section 21. Section 626.261, Florida Statutes, is amended  
545 to read:

546 626.261 Conduct of examination.--

547 (1) The applicant for license shall appear in person and  
548 personally take the examination for license at the time and  
549 place specified by the department ~~or office~~ or by a person  
550 designated by the department ~~or office~~.

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

554 (3) The questions propounded shall be as prepared by the  
 555 department ~~or office~~, or by a person designated by the  
 556 department ~~or office~~ for that purpose, consistent with the  
 557 applicable provisions of this code.

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

561 Section 22. Section 626.266, Florida Statutes, is amended  
 562 to read:

563 626.266 Printing of examinations or related materials to  
 564 preserve examination security.--A contract let for the  
 565 development, administration, or grading of examinations or  
 566 related materials by the department ~~or office~~ pursuant to the  
 567 various agent, customer representative, or adjuster licensing  
 568 and examination provisions of this code may include the printing  
 569 or furnishing of these examinations or related materials in  
 570 order to preserve security. Any such contract shall be let as a  
 571 contract for a contractual service pursuant to s. 287.057.

572 Section 23. Subsection (1) of section 626.271, Florida  
 573 Statutes, is amended to read:

574 626.271 Examination fee; determination, refund.--

575 (1) Prior to being permitted to take an examination, each  
 576 applicant who is subject to examination shall pay to the  
 577 department ~~or office~~ or a person designated by the department ~~or~~  
 578 ~~office~~ an examination fee. A separate and additional examination

HB 1695 CS

2004  
CS

579 fee shall be payable for each separate class of license applied  
580 for, notwithstanding that all such examinations are taken on the  
581 same date and at the same place.

582 Section 24. Section 626.281, Florida Statutes, is amended  
583 to read:

584 626.281 Reexamination.--

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

586 (a) Taken an examination and failed to make a passing  
587 grade, or

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

591  
592 may take additional examinations, after filing with the  
593 department ~~or office~~ an application for reexamination together  
594 with applicable fees. The failure of an applicant to pass an  
595 examination or the failure to appear for the examination or to  
596 take or complete the examination does not preclude the applicant  
597 from taking subsequent examinations.

598 (2) The department ~~or office~~ may require any individual  
599 whose license as an agent, customer representative, or adjuster  
600 has expired or has been suspended to pass an examination prior  
601 to reinstating or relicensing the individual as to any class of  
602 license. The examination fee shall be paid as to each  
603 examination.

604 Section 25. Section 626.2817, Florida Statutes, is amended  
605 to read:

606           626.2817 Regulation of course providers, instructors,  
607 school officials, and monitor groups involved in prelicensure  
608 education for insurance agents and other licensees.--

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

613           (2) The department ~~or commission~~ shall adopt rules  
614 establishing standards for the approval, registration,  
615 discipline, or removal from registration of course providers,  
616 instructors, school officials, and monitor groups. The standards  
617 must be designed to ensure that such persons have the knowledge,  
618 competence, and integrity to fulfill the educational objectives  
619 of the prelicensure requirements of this chapter and chapter 648  
620 and to ensure ~~assure~~ that insurance agents and licensees are  
621 competent to engage in the activities authorized under the  
622 license.

623           (3) The department ~~or commission~~ shall adopt rules to  
624 establish a process for determining compliance with the  
625 prelicensure requirements of this chapter and chapter 648. The  
626 department ~~or commission~~ shall adopt rules prescribing the forms  
627 necessary to administer the prelicensure requirements.

628           Section 26. Section 626.291, Florida Statutes, is amended  
629 to read:

630           626.291 Denial, issuance of license.--

631           (1) Within 30 days after the applicant has completed any  
632 examination required under s. 626.221, the department ~~or office~~  
633 or its designee shall provide a score report; and, if it finds

634 that the applicant has received a passing grade, the department  
 635 ~~or office~~ shall within such period notify the applicant and  
 636 issue and transmit the license to which such examination  
 637 related. If it finds that the applicant did not make a passing  
 638 grade on the examination for a particular license, the  
 639 department ~~or office~~ or its designee shall within this period  
 640 provide notice to the applicant to that effect and of its denial  
 641 of the license.

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

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

650 Section 27. Section 626.301, Florida Statutes, is amended  
 651 to read:

652 626.301 Form and contents of licenses, in general.--Each  
 653 license issued by the department ~~or office~~ shall be in such form  
 654 as the department ~~or commission~~ may designate and contain the  
 655 licensee's name, lines of authority the licensee is authorized  
 656 to transact, the licensee's personal identification number, the  
 657 date of issuance, and any other information the department ~~or~~  
 658 ~~commission~~ deems necessary to fully identify the licensee and  
 659 the authority being granted. The department ~~or commission~~ may by  
 660 rule require photographs of applicants as a part of the  
 661 licensing process.



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

664 626.371 Payment of fees, taxes for appointment period  
665 without appointment.--

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

670 (2) If, upon application and qualification for an initial  
671 or renewal appointment and such investigation as the department  
672 ~~or office~~ may make, it appears to the department ~~or office~~ that  
673 an individual who was formerly licensed or is currently licensed  
674 but not properly appointed to represent an insurer or employer  
675 and who has been actively engaged or is currently actively  
676 engaged as such an appointee, but without being appointed as  
677 required, the department ~~or office~~ may, if it finds that such  
678 failure to be appointed was an inadvertent error on the part of  
679 the insurer or employer so represented, nevertheless issue or  
680 authorize the issuance of the appointment as applied for but  
681 subject to the condition that, before the appointment is issued,  
682 all fees and taxes which would have been due had the applicant  
683 been so appointed during such current and prior periods, with  
684 applicable fees pursuant to s. 624.501 for such current and  
685 prior periods of appointment, shall be paid to the department ~~or~~  
686 ~~office~~.

687 (3)(a) Failure to notify the department within the  
688 required time period shall result in the appointing entity being  
689 assessed a delinquent fee of \$250 per appointee. Delinquent fees

HB 1695 CS

2004  
CS

690 shall be paid by the appointing entity and may not be charged to  
691 the appointee.

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

698 Section 29. Subsections (2), (3), and (4) of section  
699 626.381, Florida Statutes, are amended to read:

700 626.381 Renewal, continuation, reinstatement, or  
701 termination of appointment.--

702 (2) Each appointing entity shall file with the department  
703 ~~or office~~ the lists, statements, and information as to  
704 appointees whose appointments are being renewed or terminated,  
705 accompanied by payment of the applicable renewal fees and taxes  
706 as prescribed in s. 624.501, by a date set forth by the  
707 department ~~or office~~ following the month during which the  
708 appointments will expire.

709 (3) Renewal of an appointment which is received by the  
710 department ~~or office~~ or person designated by the department to  
711 administer the appointment process prior to the expiration of an  
712 appointment in the licensee's birth month or license issue date,  
713 whichever applies, may be renewed by the department ~~or office~~  
714 without penalty and shall be effective as of the first day of  
715 the month succeeding the month in which the appointment would  
716 have expired.

717 (4) Renewal of an appointment which is received by the  
 718 department ~~or office~~ or person designated by the department to  
 719 administer the appointment process after the renewal date may be  
 720 accepted and effectuated by the department ~~or office~~ in its  
 721 discretion if the appointment, late filing, continuation, and  
 722 reinstatement fee accompanies the renewal request pursuant to s.  
 723 624.501. Late filing fees shall be paid by the appointing entity  
 724 and may not be charged to the appointee.

725 Section 30. Subsection (2) of section 626.431, Florida  
 726 Statutes, is amended to read:

727 626.431 Effect of expiration of license and appointment.--

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

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

736 626.461 Continuation of appointment of agent or other  
 737 representative.--Subject to renewal or continuation by the  
 738 appointing entity, the appointment of the agent, adjuster,  
 739 service representative, customer representative, or managing  
 740 general agent shall continue in effect until the person's  
 741 license is revoked or otherwise terminated, unless written  
 742 notice of earlier termination of the appointment is filed with  
 743 the department ~~or office~~ or person designated by the department

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

746 Section 32. Subsections (2), (3), (4), and (5) of section  
747 626.471, Florida Statutes, are amended to read:

748 626.471 Termination of appointment.--

749 (2) As soon as possible and at all events within 30 days  
750 after terminating the appointment of an appointee, other than as  
751 to an appointment terminated by the appointing entity's failure  
752 to continue or renew it, the appointing entity shall file  
753 written notice thereof with the department ~~or office~~, together  
754 with a statement that it has given the appointee notice thereof  
755 as provided in subsection (1) and shall file with the department  
756 ~~or office~~ the reasons and facts involved in such termination as  
757 required under s. 626.511.

758 (3) Upon termination of the appointment of an appointee,  
759 whether by failure to renew or continue the appointment, the  
760 appointing entity shall:

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

763 (b) Subject to the exceptions provided under subsection  
764 (1), continue the outstanding contracts transacted by an agent  
765 until the expiration date or anniversary date when the policy is  
766 a continuous policy with no expiration date. This paragraph  
767 shall not be construed to prohibit the cancellation of such  
768 contracts when not otherwise prohibited by law.

769 (4) An appointee may terminate the appointment at any time  
770 by giving written or electronic notice thereof to the appointing  
771 entity, department ~~or office~~, or person designated by the

772 department to administer the appointment process. The department  
 773 shall immediately terminate the appointment and notify the  
 774 appointing entity of such termination. Such termination shall be  
 775 subject to the appointee's contract rights, if any.

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

779 Section 33. Subsections (2), (3), and (5) of section  
 780 626.521, Florida Statutes, are amended to read:

781 626.521 Character, credit reports.--

782 (2) If requested by the department ~~or office~~, the insurer,  
 783 manager, general agent, general lines agent, or employer, as the  
 784 case may be, shall furnish to the department ~~or office~~ on a form  
 785 adopted by the department ~~or commission~~ and furnished by the  
 786 department ~~or office~~, such information as it may reasonably  
 787 require relative to such individual and investigation.

788 (3) As to an applicant for an adjuster's or reinsurance  
 789 intermediary's license who is to be self-employed, the  
 790 department ~~or office~~ may secure, at the cost of the applicant, a  
 791 full detailed credit and character report made by an established  
 792 and reputable independent reporting service relative to the  
 793 applicant.

794 (5) Information contained in credit or character reports  
 795 furnished to or secured by the department ~~or office~~ under this  
 796 section is confidential and exempt from the provisions of s.  
 797 119.07(1).

798 Section 34. Subsections (1) and (2) of section 626.541,  
 799 Florida Statutes, are amended to read:

HB 1695 CS

2004  
CS

800           626.541 Firm, corporate, and business names; officers;  
801 associates; notice of changes.--

802           (1) Any licensed agent or adjuster doing business under a  
803 firm or corporate name or under any business name other than his  
804 or her own individual name shall, within 30 days after the  
805 initial transaction of insurance under such business name, file  
806 with the department ~~or office~~, on forms adopted by the  
807 department ~~or commission~~ and furnished by the department ~~or~~  
808 ~~office~~, a written statement of the firm, corporate, or business  
809 name being so used, the address of any office or offices or  
810 places of business making use of such name, and the name and  
811 social security number of each officer and director of the  
812 corporation and of each individual associated in such firm or  
813 corporation as to the insurance transactions thereof or in the  
814 use of such business name.

815           (2) In the event of any change of such name, or of any of  
816 the officers and directors, or of any of such addresses, or in  
817 the personnel so associated, written notice of such change must  
818 be filed with the department ~~or office~~ within 30 days by or on  
819 behalf of those licensees terminating any such firm, corporate,  
820 or business name or continuing to operate thereunder.

821           Section 35. Section 626.551, Florida Statutes, is amended  
822 to read:

823           626.551 Notice of change of address, name.--Every licensee  
824 shall notify the department ~~or office~~ in writing within 60 days  
825 after a change of name, residence address, principal business  
826 street address, or mailing address. Any licensed agent who has  
827 moved his or her residence from this state shall have his or her

HB 1695 CS

2004  
CS

828 license and all appointments immediately terminated by the  
 829 department ~~or office~~. Failure to notify the department ~~or office~~  
 830 within the required time period shall result in a fine not to  
 831 exceed \$250 for the first offense and, for subsequent offenses,  
 832 a fine of not less than \$500 or suspension or revocation of the  
 833 license pursuant to s. 626.611 or s. 626.621.

834 Section 36. Section 626.611, Florida Statutes, is amended  
 835 to read:

836 626.611 Grounds for compulsory refusal, suspension, or  
 837 revocation of agent's, title agency's, adjuster's, customer  
 838 representative's, service representative's, or managing general  
 839 agent's license or appointment.--The department ~~or office~~ shall  
 840 deny an application for, suspend, revoke, or refuse to renew or  
 841 continue the license or appointment of any applicant, agent,  
 842 title agency, adjuster, customer representative, service  
 843 representative, or managing general agent, and it shall suspend  
 844 or revoke the eligibility to hold a license or appointment of  
 845 any such person, if it finds that as to the applicant, licensee,  
 846 or appointee any one or more of the following applicable grounds  
 847 exist:

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

850 (2) Material misstatement, misrepresentation, or fraud in  
 851 obtaining the license or appointment or in attempting to obtain  
 852 the license or appointment.

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

HB 1695 CS

2004  
CS

855 (4) If the license or appointment is willfully used, or to  
856 be used, to circumvent any of the requirements or prohibitions  
857 of this code.

858 (5) Willful misrepresentation of any insurance policy or  
859 annuity contract or willful deception with regard to any such  
860 policy or contract, done either in person or by any form of  
861 dissemination of information or advertising.

862 (6) If, as an adjuster, or agent licensed and appointed to  
863 adjust claims under this code, he or she has materially  
864 misrepresented to an insured or other interested party the terms  
865 and coverage of an insurance contract with intent and for the  
866 purpose of effecting settlement of claim for loss or damage or  
867 benefit under such contract on less favorable terms than those  
868 provided in and contemplated by the contract.

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

871 (8) Demonstrated lack of reasonably adequate knowledge and  
872 technical competence to engage in the transactions authorized by  
873 the license or appointment.

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

876 (10) Misappropriation, conversion, or unlawful withholding  
877 of moneys belonging to insurers or insureds or beneficiaries or  
878 to others and received in conduct of business under the license  
879 or appointment.

880 (11) Unlawfully rebating, attempting to unlawfully rebate,  
881 or unlawfully dividing or offering to divide his or her  
882 commission with another.



883           (12) Having obtained or attempted to obtain, or having  
 884 used or using, a license or appointment as agent or customer  
 885 representative for the purpose of soliciting or handling  
 886 "controlled business" as defined in s. 626.730 with respect to  
 887 general lines agents, s. 626.784 with respect to life agents,  
 888 and s. 626.830 with respect to health agents.

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

892           (14) Having been found guilty of or having pleaded guilty  
 893 or nolo contendere to a felony or a crime punishable by  
 894 imprisonment of 1 year or more under the law of the United  
 895 States of America or of any state thereof or under the law of  
 896 any other country which involves moral turpitude, without regard  
 897 to whether a judgment of conviction has been entered by the  
 898 court having jurisdiction of such cases.

899           (15) Fraudulent or dishonest practice in submitting or  
 900 aiding or abetting any person in the submission of an  
 901 application for workers' compensation coverage under chapter 440  
 902 containing false or misleading information as to employee  
 903 payroll or classification for the purpose of avoiding or  
 904 reducing the amount of premium due for such coverage.

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

907           Section 37. Section 626.621, Florida Statutes, is amended  
 908 to read:

909           626.621 Grounds for discretionary refusal, suspension, or  
 910 revocation of agent's, adjuster's, customer representative's,

HB 1695 CS

2004  
CS

911 service representative's, or managing general agent's license or  
 912 appointment.--The department ~~or office~~ may, in its discretion,  
 913 deny an application for, suspend, revoke, or refuse to renew or  
 914 continue the license or appointment of any applicant, agent,  
 915 adjuster, customer representative, service representative, or  
 916 managing general agent, and it may suspend or revoke the  
 917 eligibility to hold a license or appointment of any such person,  
 918 if it finds that as to the applicant, licensee, or appointee any  
 919 one or more of the following applicable grounds exist under  
 920 circumstances for which such denial, suspension, revocation, or  
 921 refusal is not mandatory under s. 626.611:

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

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

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

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

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

935 (6) In the conduct of business under the license or  
 936 appointment, engaging in unfair methods of competition or in  
 937 unfair or deceptive acts or practices, as prohibited under part  
 938 IX of this chapter, or having otherwise shown himself or herself

HB 1695 CS

2004  
CS

939 | to be a source of injury or loss to the public or detrimental to  
940 | the public interest.

941 |       (7) Willful overinsurance of any property or health  
942 | insurance risk.

943 |       (8) Having been found guilty of or having pleaded guilty  
944 | or nolo contendere to a felony or a crime punishable by  
945 | imprisonment of 1 year or more under the law of the United  
946 | States of America or of any state thereof or under the law of  
947 | any other country, without regard to whether a judgment of  
948 | conviction has been entered by the court having jurisdiction of  
949 | such cases.

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

951 |       (10) Cheating on an examination required for licensure or  
952 | violating test center or examination procedures published  
953 | orally, in writing, or electronically at the test site by  
954 | authorized representatives of the examination program  
955 | administrator. Communication of test center and examination  
956 | procedures must be clearly established and documented.

957 |       (11) Failure to inform the department ~~or office~~ in writing  
958 | within 30 days after pleading guilty or nolo contendere to, or  
959 | being convicted or found guilty of, any felony or a crime  
960 | punishable by imprisonment of 1 year or more under the law of  
961 | the United States or of any state thereof, or under the law of  
962 | any other country without regard to whether a judgment of  
963 | conviction has been entered by the court having jurisdiction of  
964 | the case.

965 |       (12) Knowingly aiding, assisting, procuring, advising, or  
966 | abetting any person in the violation of or to violate a

HB 1695 CS

2004  
CS

967 | provision of the insurance code or any order or rule of the  
968 | department, commission, or office.

969 |       Section 38. Section 626.631, Florida Statutes, is amended  
970 | to read:

971 |           626.631 Procedure for refusal, suspension, or revocation  
972 | of license.--

973 |       (1) If any licensee is convicted by a court of a violation  
974 | of this code or a felony, the licenses and appointments of such  
975 | person shall be immediately revoked by the department ~~or office~~.  
976 | The licensee may subsequently request a hearing pursuant to ss.  
977 | 120.569 and 120.57, and the department ~~or office~~ shall expedite  
978 | any such requested hearing. The sole issue at such hearing shall  
979 | be whether the revocation should be rescinded because such  
980 | person was not in fact convicted of a violation of this code or  
981 | a felony.

982 |       (2) The papers, documents, reports, or evidence of the  
983 | department ~~or office~~ relative to a hearing for revocation or  
984 | suspension of a license or appointment pursuant to the  
985 | provisions of this chapter and chapter 120 are confidential and  
986 | exempt from the provisions of s. 119.07(1) until after the same  
987 | have been published at the hearing. However, such papers,  
988 | documents, reports, or items of evidence are subject to  
989 | discovery in a hearing for revocation or suspension of a license  
990 | or appointment.

991 |       Section 39. Subsections (1) and (2) of section 626.641,  
992 | Florida Statutes, are amended to read:

993 |           626.641 Duration of suspension or revocation.--

994           (1) The department ~~or office~~ shall, in its order  
 995 suspending a license or appointment or in its order suspending  
 996 the eligibility of a person to hold or apply for such license or  
 997 appointment, specify the period during which the suspension is  
 998 to be in effect; but such period shall not exceed 2 years. The  
 999 license, appointment, or eligibility shall remain suspended  
 1000 during the period so specified, subject, however, to any  
 1001 rescission or modification of the order by the department ~~or~~  
 1002 ~~office~~, or modification or reversal thereof by the court, prior  
 1003 to expiration of the suspension period. A license, appointment,  
 1004 or eligibility which has been suspended shall not be reinstated  
 1005 except upon request for such reinstatement; but the department  
 1006 ~~or office~~ shall not grant such reinstatement if it finds that  
 1007 the circumstance or circumstances for which the license,  
 1008 appointment, or eligibility was suspended still exist or are  
 1009 likely to recur.

1010           (2) No person or appointee under any license or  
 1011 appointment revoked by the department ~~or office~~, nor any person  
 1012 whose eligibility to hold same has been revoked by the  
 1013 department ~~or office~~, shall have the right to apply for another  
 1014 license or appointment under this code within 2 years from the  
 1015 effective date of such revocation or, if judicial review of such  
 1016 revocation is sought, within 2 years from the date of final  
 1017 court order or decree affirming the revocation. The department  
 1018 ~~or office~~ shall not, however, grant a new license or appointment  
 1019 or reinstate eligibility to hold such license or appointment if  
 1020 it finds that the circumstance or circumstances for which the  
 1021 eligibility was revoked or for which the previous license or

1022 appointment was revoked still exist or are likely to recur; if  
 1023 an individual's license as agent or customer representative or  
 1024 eligibility to hold same has been revoked upon the ground  
 1025 specified in s. 626.611(12), the department ~~or office~~ shall  
 1026 refuse to grant or issue any new license or appointment so  
 1027 applied for.

1028 Section 40. Subsection (2) of section 626.661, Florida  
 1029 Statutes, is amended to read:

1030 626.661 Surrender of license.--

1031 (2) This section shall not be deemed to require the  
 1032 surrender to the department ~~or office~~ of any license unless such  
 1033 surrender has been requested by the department ~~or office~~.

1034 Section 41. Subsections (1) and (3) of section 626.681,  
 1035 Florida Statutes, are amended to read:

1036 626.681 Administrative fine in lieu of or in addition to  
 1037 suspension, revocation, or refusal of license, appointment, or  
 1038 disapproval.--

1039 (1) Except as to insurance agencies, if the department ~~or~~  
 1040 ~~office~~ finds that one or more grounds exist for the suspension,  
 1041 revocation, or refusal to issue, renew, or continue any license  
 1042 or appointment issued under this chapter, or disapproval of a  
 1043 continuing education course provider, instructor, school  
 1044 official, or monitor groups, the department ~~or office~~ may, in  
 1045 its discretion, in lieu of or in addition to such suspension or  
 1046 revocation, or in lieu of such refusal, or disapproval, and  
 1047 except on a second offense or when such suspension, revocation,  
 1048 or refusal is mandatory, impose upon the licensee, appointee,  
 1049 course provider, instructor, school official, or monitor group

HB 1695 CS

2004  
CS

1050 an administrative penalty in an amount up to \$500 or, if the  
 1051 department ~~or office~~ has found willful misconduct or willful  
 1052 violation on the part of the licensee, appointee, course  
 1053 provider, instructor, school official, or monitor group up to  
 1054 \$3,500. The administrative penalty may, in the discretion of the  
 1055 department ~~or office~~, be augmented by an amount equal to any  
 1056 commissions received by or accruing to the credit of the  
 1057 licensee or appointee in connection with any transaction as to  
 1058 which the grounds for suspension, revocation, or refusal  
 1059 related.

1060 (3) The department ~~or office~~ may allow the licensee,  
 1061 appointee, or continuing education course provider, instructor,  
 1062 school official, or monitor group a reasonable period, not to  
 1063 exceed 30 days, within which to pay to the department ~~or office~~  
 1064 the amount of the penalty so imposed. If the licensee,  
 1065 appointee, course provider, instructor, school official, or  
 1066 monitor group fails to pay the penalty in its entirety to the  
 1067 department ~~or office~~ within the period so allowed, the license,  
 1068 appointments, approval, or status of that person shall stand  
 1069 suspended or revoked or issuance, renewal, or continuation shall  
 1070 be refused, as the case may be, upon expiration of such period.

1071 Section 42. Section 626.691, Florida Statutes, is amended  
 1072 to read:

1073 626.691 Probation.--

1074 (1) If the department ~~or office~~ finds that one or more  
 1075 grounds exist for the suspension, revocation, or refusal to  
 1076 renew or continue any license or appointment issued under this  
 1077 part, the department ~~or office~~ may, in its discretion, except

HB 1695 CS

2004  
CS

1078 | when an administrative fine is not permissible under s. 626.681  
 1079 | or when such suspension, revocation, or refusal is mandatory, in  
 1080 | lieu of or in addition to such suspension or revocation, or in  
 1081 | lieu of such refusal, or in connection with any administrative  
 1082 | monetary penalty imposed under s. 626.681, place the offending  
 1083 | licensee or appointee on probation for a period, not to exceed 2  
 1084 | years, as specified by the department ~~or office~~ in its order.

1085 |       (2) As a condition to such probation or in connection  
 1086 | therewith, the department ~~or office~~ may specify in its order  
 1087 | reasonable terms and conditions to be fulfilled by the  
 1088 | probationer during the probation period. If during the probation  
 1089 | period the department ~~or office~~ has good cause to believe that  
 1090 | the probationer has violated a term or condition, it shall  
 1091 | suspend, revoke, or refuse to issue, renew, or continue the  
 1092 | license or appointment of the probationer, as upon the original  
 1093 | grounds referred to in subsection (1).

1094 |       Section 43. Section 626.692, Florida Statutes, is amended  
 1095 | to read:

1096 |       626.692 Restitution.--If any ground exists for the  
 1097 | suspension, revocation, or refusal of a license or appointment,  
 1098 | the department ~~or office~~ may, in addition to any other penalty  
 1099 | authorized under this chapter, order the licensee to pay  
 1100 | restitution to any person who has been deprived of money by the  
 1101 | licensee's misappropriation, conversion, or unlawful withholding  
 1102 | of moneys belonging to insurers, insureds, beneficiaries, or  
 1103 | others. In no instance shall the amount of restitution required  
 1104 | to be paid under this section exceed the amount of money  
 1105 | misappropriated, converted, or unlawfully withheld. Nothing in



HB 1695 CS

2004  
CS

1106 | this section limits or restricts a person's right to seek other  
1107 | remedies as provided for by law.

1108 |       Section 44. Subsection (2) of section 626.8582, Florida  
1109 | Statutes, is amended to read:

1110 |           626.8582 "Nonresident public adjuster" defined.--A  
1111 | "nonresident public adjuster" is a person who:

1112 |       (2) Is a currently licensed public adjuster in his or her  
1113 | state of residence for the type or kinds of insurance for which  
1114 | the licensee intends to adjust claims in this state or, if a  
1115 | resident of a state that does not license public adjusters, has  
1116 | passed the department's ~~office's~~ adjuster examination as  
1117 | prescribed in s. 626.8732(1)(b); and

1118 |       Section 45. Subsection (2) of section 626.8584, Florida  
1119 | Statutes, is amended to read:

1120 |           626.8584 "Nonresident independent adjuster" defined.--A  
1121 | "nonresident independent adjuster" is a person who:

1122 |       (2) Is a currently licensed independent adjuster in his or  
1123 | her state of residence for the type or kinds of insurance for  
1124 | which the licensee intends to adjust claims in this state or, if  
1125 | a resident of a state that does not license independent  
1126 | adjusters, has passed the department's ~~office's~~ adjuster  
1127 | examination as prescribed in s. 626.8734(1)(b); and

1128 |       Section 46. Section 626.859, Florida Statutes, is amended  
1129 | to read:

1130 |           626.859 "Catastrophe" or "emergency" adjuster defined.--A  
1131 | "catastrophe" or "emergency" adjuster is a person who is not a  
1132 | licensed adjuster under this part, but who has been designated  
1133 | and certified to the department ~~office~~ by insurers as qualified

HB 1695 CS

2004  
CS

1134 to adjust claims, losses, or damages under policies or contracts  
 1135 of insurance issued by such insurer, and whom the department  
 1136 ~~office~~ may license, in the event of a catastrophe or emergency,  
 1137 for the purposes and under the conditions which the department  
 1138 ~~office~~ shall fix and for the period of the emergency as the  
 1139 department ~~office~~ shall determine, to adjust claims, losses, or  
 1140 damages under the policies of insurance issued by the insurers.

1141 Section 47. Subsection (2) of section 626.863, Florida  
 1142 Statutes, is amended to read:

1143 626.863 Licensed independent adjusters required; insurers'  
 1144 responsibility.--

1145 (2) Before referring any claim or loss, the insurer shall  
 1146 ascertain from the department ~~office~~ whether the proposed  
 1147 independent adjuster is currently licensed and appointed as  
 1148 such. Having once ascertained that a particular person is so  
 1149 licensed and appointed, the insurer may assume that he or she  
 1150 will continue to be so licensed and appointed until the insurer  
 1151 has knowledge, or receives information from the department  
 1152 ~~office~~, to the contrary.

1153 Section 48. Section 626.865, Florida Statutes, is amended  
 1154 to read:

1155 626.865 Public adjuster's qualifications, bond.--

1156 (1) The department ~~office~~ shall issue a license to an  
 1157 applicant for a public adjuster's license upon determining that  
 1158 the applicant has paid the applicable fees specified in s.  
 1159 624.501 and possesses the following qualifications:

1160 (a) Is a natural person at least 18 years of age.

HB 1695 CS

2004  
CS

1161 (b) Is a United States citizen or legal alien who  
 1162 possesses work authorization from the United States Immigration  
 1163 and Naturalization Service and a bona fide resident of this  
 1164 state.

1165 (c) Is trustworthy and has such business reputation as  
 1166 would reasonably assure that the applicant will conduct his or  
 1167 her business as insurance adjuster fairly and in good faith and  
 1168 without detriment to the public.

1169 (d) Has had sufficient experience, training, or  
 1170 instruction concerning the adjusting of damages or losses under  
 1171 insurance contracts, other than life and annuity contracts, is  
 1172 sufficiently informed as to the terms and effects of the  
 1173 provisions of those types of insurance contracts, and possesses  
 1174 adequate knowledge of the laws of this state relating to such  
 1175 contracts as to enable and qualify him or her to engage in the  
 1176 business of insurance adjuster fairly and without injury to the  
 1177 public or any member thereof with whom the applicant may have  
 1178 business as a public adjuster.

1179 (e) Has passed any required written examination.

1180 (2) At the time of application for license as a public  
 1181 adjuster, the applicant shall file with the department ~~office~~ a  
 1182 bond executed and issued by a surety insurer authorized to  
 1183 transact such business in this state, in the amount of \$50,000,  
 1184 conditioned for the faithful performance of his or her duties as  
 1185 a public adjuster under the license applied for. The bond shall  
 1186 be in favor of the department ~~office~~ and shall specifically  
 1187 authorize recovery by the department ~~office~~ of the damages  
 1188 sustained in case the licensee is guilty of fraud or unfair

HB 1695 CS

2004  
CS

1189 practices in connection with his or her business as public  
 1190 adjuster. The aggregate liability of the surety for all such  
 1191 damages shall in no event exceed the amount of the bond. Such  
 1192 bond shall not be terminated unless at least 30 days' written  
 1193 notice is given to the licensee and filed with the department  
 1194 ~~office~~.

1195 Section 49. Section 626.866, Florida Statutes, is amended  
 1196 to read:

1197 626.866 Independent adjuster's qualifications.--The  
 1198 department ~~office~~ shall issue a license to an applicant for an  
 1199 independent adjuster's license upon determining that the  
 1200 applicable license fee specified in s. 624.501 has been paid and  
 1201 that the applicant possesses the following qualifications:

- 1202 (1) Is a natural person at least 18 years of age.
- 1203 (2) Is a United States citizen or legal alien who  
 1204 possesses work authorization from the United States Immigration  
 1205 and Naturalization Service and a bona fide resident of this  
 1206 state.
- 1207 (3) Is trustworthy and has such business reputation as  
 1208 would reasonably assure that the applicant will conduct his or  
 1209 her business as insurance adjuster fairly and in good faith and  
 1210 without detriment to the public.

1211 (4) Has had sufficient experience, training, or  
 1212 instruction concerning the adjusting of damage or loss under  
 1213 insurance contracts, other than life and annuity contracts, is  
 1214 sufficiently informed as to the terms and the effects of the  
 1215 provisions of such types of contracts, and possesses adequate  
 1216 knowledge of the insurance laws of this state relating to such

HB 1695 CS

2004  
CS

1217 | contracts as to enable and qualify him or her to engage in the  
 1218 | business of insurance adjuster fairly and without injury to the  
 1219 | public or any member thereof with whom he or she may have  
 1220 | relations as an insurance adjuster and to adjust all claims in  
 1221 | accordance with the policy or contract and the insurance laws of  
 1222 | this state.

1223 | (5) Has passed any required written examination.

1224 | Section 50. Section 626.867, Florida Statutes, is amended  
 1225 | to read:

1226 | 626.867 Company employee adjuster's qualifications.--The  
 1227 | department ~~office~~ shall issue a license to an applicant for a  
 1228 | company employee adjuster's license upon determining that the  
 1229 | applicable license fee specified in s. 624.501 has been paid and  
 1230 | that the applicant possesses the following qualifications:

1231 | (1) Is a natural person at least 18 years of age.

1232 | (2) Is a United States citizen or legal alien who  
 1233 | possesses work authorization from the United States Immigration  
 1234 | and Naturalization Service and a bona fide resident of this  
 1235 | state.

1236 | (3) Is trustworthy and has such business reputation as  
 1237 | would reasonably assure that the applicant will conduct his or  
 1238 | her business as insurance adjuster fairly and in good faith and  
 1239 | without detriment to the public.

1240 | (4) Has had sufficient experience, training, or  
 1241 | instruction concerning the adjusting of damage or loss of risks  
 1242 | described in his or her application, is sufficiently informed as  
 1243 | to the terms and the effects of the provisions of insurance  
 1244 | contracts covering such risks, and possesses adequate knowledge

HB 1695 CS

2004  
CS

1245 of the insurance laws of this state relating to such insurance  
 1246 contracts as to enable and qualify him or her to engage in such  
 1247 business as insurance adjuster fairly and without injury to the  
 1248 public or any member thereof with whom he or she may have  
 1249 relations as an insurance adjuster and to adjust all claims in  
 1250 accordance with the policy or contract and the insurance laws of  
 1251 this state.

1252 (5) Has passed any required written examination.

1253 Section 51. Paragraph (c) of subsection (4) of section  
 1254 626.869, Florida Statutes, is amended to read:

1255 626.869 License, adjusters.--

1256 (4)

1257 (c) The department ~~Financial Services Commission~~ shall  
 1258 adopt rules necessary to implement and administer the continuing  
 1259 education requirements of this subsection.

1260 Section 52. Subsections (1), (3), (5), (6), and (7) of  
 1261 section 626.8695, Florida Statutes, are amended to read:

1262 626.8695 Primary adjuster.--

1263 (1) Each person operating an adjusting firm and each  
 1264 location of a multiple location adjusting firm must designate a  
 1265 primary adjuster for each such firm or location and must file  
 1266 with the department ~~office~~ the name of such primary adjuster and  
 1267 the address of the firm or location where he or she is the  
 1268 primary adjuster, on a form approved by the department  
 1269 ~~commission~~. The designation of the primary adjuster may be  
 1270 changed at the option of the adjusting firm. Any such change is  
 1271 effective upon notification to the department ~~office~~. Notice of

1272 change must be sent to the department ~~office~~ within 30 days  
1273 after such change.

1274 (3) The department ~~office~~ may suspend or revoke the  
1275 license of the primary adjuster if the adjusting firm employs  
1276 any person who has had a license denied or any person whose  
1277 license is currently suspended or revoked. However, if a person  
1278 has been denied a license for failure to pass a required  
1279 examination, he or she may be employed to perform clerical or  
1280 administrative functions for which licensure is not required.

1281 (5) The department ~~office~~ may suspend or revoke the  
1282 license of any adjuster who is employed by a person whose  
1283 license is currently suspended or revoked.

1284 (6) An adjusting firm location may not conduct the  
1285 business of insurance unless a primary adjuster is designated.  
1286 Failure of the person operating the adjusting firm to designate  
1287 a primary adjuster for the firm, or for each location, as  
1288 applicable, on a form prescribed by the department ~~commission~~  
1289 within 30 days after inception of the firm or change of primary  
1290 adjuster designation, constitutes grounds for requiring the  
1291 adjusting firm to obtain an adjusting firm license pursuant to  
1292 s. 626.8696.

1293 (7) Any adjusting firm may request, on a form prescribed  
1294 by the department ~~commission~~, verification from the department  
1295 ~~office~~ of any person's current licensure status. If a request is  
1296 mailed to the department ~~office~~ within 5 working days after the  
1297 date an adjuster is hired, and the department ~~office~~  
1298 subsequently notifies the adjusting firm that an employee's  
1299 license is currently suspended, revoked, or has been denied, the

HB 1695 CS

2004  
CS

1300 license of the primary adjuster shall not be revoked or  
 1301 suspended if the unlicensed person is immediately dismissed from  
 1302 employment as an adjuster with the firm.

1303 Section 53. Paragraph (e) of subsection (1) and subsection  
 1304 (5) of section 626.8696, Florida Statutes, are amended to read:

1305 626.8696 Application for adjusting firm license.--

1306 (1) The application for an adjusting firm license must  
 1307 include:

1308 (e) Any additional information which the department  
 1309 ~~commission~~ may require.

1310 (5) An adjusting firm required to be licensed pursuant to  
 1311 s. 626.8695 must remain so licensed for a period of 3 years from  
 1312 the date of licensure, unless the license is suspended or  
 1313 revoked. The department ~~office~~ may suspend or revoke the  
 1314 adjusting firm's authority to do business for activities  
 1315 occurring during the time the firm is licensed, regardless of  
 1316 whether the licensing period has terminated.

1317 Section 54. Section 626.8697, Florida Statutes, is amended  
 1318 to read:

1319 626.8697 Grounds for refusal, suspension, or revocation of  
 1320 adjusting firm license.--

1321 (1) The department ~~office~~ shall deny, suspend, revoke, or  
 1322 refuse to continue the license of any adjusting firm if it  
 1323 finds, as to any adjusting firm or as to any majority owner,  
 1324 partner, manager, director, officer, or other person who manages  
 1325 or controls the firm, that any of the following grounds exist:

1326 (a) Lack by the firm of one or more of the qualifications  
 1327 for the license as specified in this code.



HB 1695 CS

2004  
CS

1328 (b) Material misstatement, misrepresentation, or fraud in  
1329 obtaining the license or in attempting to obtain the license.

1330 (2) The department ~~office~~ may, in its discretion, deny,  
1331 suspend, revoke, or refuse to continue the license of any  
1332 adjusting firm if it finds that any of the following applicable  
1333 grounds exist with respect to the firm or any owner, partner,  
1334 manager, director, officer, or other person who is otherwise  
1335 involved in the operation of the firm:

1336 (a) Any cause for which issuance of the license could have  
1337 been refused had it then existed and been known to the  
1338 department ~~office~~.

1339 (b) Violation of any provision of this code or of any  
1340 other law applicable to the business of insurance.

1341 (c) Violation of any order or rule of the department,  
1342 office, or commission.

1343 (d) An owner, partner, manager, director, officer, or  
1344 other person who manages or controls the firm having been found  
1345 guilty of or having pleaded guilty or nolo contendere to a  
1346 felony or a crime punishable by imprisonment of 1 year or more  
1347 under the laws of the United States or of any state or under the  
1348 laws of any other country, without regard to whether  
1349 adjudication was made or withheld by the court.

1350 (e) Failure to inform the department ~~office~~ in writing  
1351 within 30 days after a pleading by an owner, partner, manager,  
1352 director, officer, or other person managing or controlling the  
1353 firm of guilty or nolo contendere to, or being convicted or  
1354 found guilty of, any felony or a crime punishable by  
1355 imprisonment of 1 year or more under the laws of the United

HB 1695 CS

2004  
CS

1356 States or of any state, or under the laws of any other country,  
1357 without regard to whether adjudication was made or withheld by  
1358 the court.

1359 (f) Knowingly aiding, assisting, procuring, advising, or  
1360 abetting any person in the violation of or to violate a  
1361 provision of the insurance code or any order or rule of the  
1362 department, office, or commission.

1363 (g) Knowingly employing any individual in a managerial  
1364 capacity or in a capacity dealing with the public who is under  
1365 an order of revocation or suspension issued by the department  
1366 ~~office.~~

1367 (h) Committing any of the following acts with such a  
1368 frequency as to have made the operation of the adjusting firm  
1369 hazardous to the insurance-buying public or other persons:

1370 1. Misappropriation, conversion, or unlawful or  
1371 unreasonable withholding of moneys belonging to insurers or  
1372 insureds or beneficiaries or claimants or to others and received  
1373 in the conduct of business under the license.

1374 2. Misrepresentation or deception with regard to the  
1375 business of insurance, dissemination of information, or  
1376 advertising.

1377 3. Demonstrated lack of fitness or trustworthiness to  
1378 engage in the business of insurance adjusting arising out of  
1379 activities related to insurance adjusting or the adjusting firm.

1380 (i) Failure to appoint a primary adjuster.

1381 (3) In lieu of discretionary refusal, suspension, or  
1382 revocation of an adjusting firm's license, the department ~~office~~  
1383 may impose an administrative penalty of up to \$1,000 for each

HB 1695 CS

2004  
CS

1384 violation or ground provided under this section, not to exceed  
1385 an aggregate amount of \$10,000 for all violations or grounds.

1386 (4) If any adjusting firm, having been licensed,  
1387 thereafter has such license revoked or suspended, the firm shall  
1388 terminate all adjusting activities while the license is revoked  
1389 or suspended.

1390 Section 55. Section 626.8698, Florida Statutes, is amended  
1391 to read:

1392 626.8698 Disciplinary guidelines for public  
1393 adjusters.--The department ~~office~~ may deny, suspend, or revoke  
1394 the license of a public adjuster, and administer a fine not to  
1395 exceed \$5,000 per act, for any of the following:

1396 (1) Violating any provision of this chapter or a rule or  
1397 order of the office or commission;

1398 (2) Receiving payment or anything of value as a result of  
1399 an unfair or deceptive practice;

1400 (3) Receiving or accepting any fee, kickback, or other  
1401 thing of value pursuant to any agreement or understanding, oral  
1402 or otherwise; entering into a split-fee arrangement with another  
1403 person who is not a public adjuster; or being otherwise paid or  
1404 accepting payment for services that have not been performed;

1405 (4) Violating s. 316.066 or s. 817.234;

1406 (5) Soliciting or otherwise taking advantage of a person  
1407 who is vulnerable, emotional, or otherwise upset as the result  
1408 of a trauma, accident, or other similar occurrence; or

1409 (6) Violating any ethical rule of the department  
1410 ~~commission~~.

HB 1695 CS

2004  
CS

1411 Section 56. Section 626.870, Florida Statutes, is amended  
1412 to read:

1413 626.870 Application for license.--

1414 (1) Application for a license under this part shall be  
1415 made as provided in s. 626.171 and related sections of this  
1416 code.

1417 (2) The department ~~commission~~ shall so prepare the form of  
1418 the application as to elicit and require from the applicant the  
1419 information necessary to enable the department ~~office~~ to  
1420 determine whether the applicant possesses the qualifications  
1421 prerequisite to issuance of the license to the applicant.

1422 (3) The department ~~commission~~ may, in its discretion,  
1423 require that the application be supplemented by the certificate  
1424 or affidavit of such person or persons as it deems necessary for  
1425 its determination of the applicant's residence, business  
1426 reputation, and reputation for trustworthiness. The department  
1427 ~~commission~~ shall prescribe and the department ~~office~~ may furnish  
1428 the forms for such certificates and affidavits.

1429 Section 57. Section 626.871, Florida Statutes, is amended  
1430 to read:

1431 626.871 Reappointment after military service.--The  
1432 department ~~office~~ may, without requiring a further written  
1433 examination, issue an appointment as an adjuster to a formerly  
1434 licensed and appointed adjuster of this state who held a current  
1435 adjuster's appointment at the time of entering service in the  
1436 Armed Forces of the United States, subject to the following  
1437 conditions:

HB 1695 CS

2004  
CS

1438 (1) The period of military service must not have been in  
1439 excess of 3 years;

1440 (2) The application for the appointment must be filed with  
1441 the department ~~office~~ and the applicable fee paid, within 12  
1442 months following the date of honorable discharge of the  
1443 applicant from the military service; and

1444 (3) The new appointment will be of the same type and class  
1445 as that currently effective at the time the applicant entered  
1446 military service; but, if such type and class of appointment is  
1447 not being currently issued under this code, the new appointment  
1448 shall be of that type and class or classes most closely  
1449 resembling those of the former appointment.

1450 Section 58. Subsections (1) and (5) of section 626.872,  
1451 Florida Statutes, are amended to read:

1452 626.872 Temporary license.--

1453 (1) The department ~~office~~ may, in its discretion, issue a  
1454 temporary license as an independent adjuster or as a company  
1455 employee adjuster, subject to the following conditions:

1456 (a) The applicant must be an employee of an adjuster  
1457 currently licensed by the department ~~office~~, an employee of an  
1458 authorized insurer, or an employee of an established adjusting  
1459 firm or corporation which is supervised by a currently licensed  
1460 independent adjuster.

1461 (b) The application must be accompanied by a certificate  
1462 of employment and a report as to the applicant's integrity and  
1463 moral character on a form prescribed by the department  
1464 ~~commission~~ and executed by the employer.

HB 1695 CS

2004  
CS

1465 (c) The applicant must be a natural person of at least 18  
 1466 years of age, must be a bona fide resident of this state, must  
 1467 be trustworthy, and must have such business reputation as would  
 1468 reasonably assure that the applicant will conduct his or her  
 1469 business as an adjuster fairly and in good faith and without  
 1470 detriment to the public.

1471 (d) The applicant's employer is responsible for the  
 1472 adjustment acts of any licensee under this section.

1473 (e) The applicable license fee specified must be paid  
 1474 before issuance of the temporary license.

1475 (f) The temporary license shall be effective for a period  
 1476 of 1 year, but subject to earlier termination at the request of  
 1477 the employer, or if the licensee fails to take an examination as  
 1478 an independent adjuster or company employee adjuster within 6  
 1479 months after issuance of the temporary license, or if suspended  
 1480 or revoked by the department ~~office~~.

1481 (5) The department ~~office~~ shall not issue a temporary  
 1482 license as an independent adjuster or as a company employee  
 1483 adjuster to any individual who has ever held such a license in  
 1484 this state.

1485 Section 59. Subsection (1) of section 626.873, Florida  
 1486 Statutes, is amended to read:

1487 626.873 Nonresident company employee adjusters.--

1488 (1) The department ~~office~~ shall, upon application  
 1489 therefor, issue a license to an applicant for a nonresident  
 1490 adjuster's license upon determining that the applicant has paid  
 1491 the applicable license fees required under s. 624.501 and:

HB 1695 CS

2004  
CS

1492 (a) Is a currently licensed insurance adjuster in his or  
1493 her home state, if such state requires a license.

1494 (b) Is an employee of an insurer, or a wholly owned  
1495 subsidiary of an insurer, admitted to do business in this state.

1496 (c) Has filed a certificate or letter of authorization  
1497 from the insurance department of his or her home state, if such  
1498 state requires an adjuster to be licensed, stating that he or  
1499 she holds a current license or authorization to adjust insurance  
1500 losses. Such certificate or authorization must be signed by the  
1501 insurance commissioner, or his or her deputy, of the adjuster's  
1502 home state and must reflect whether or not the adjuster has ever  
1503 had his or her license or authorization in the adjuster's home  
1504 state suspended or revoked and, if such is the case, the reason  
1505 for such action.

1506 Section 60. Section 626.8732, Florida Statutes, is amended  
1507 to read:

1508 626.8732 Nonresident public adjuster's qualifications,  
1509 bond.--

1510 (1) The department ~~office~~ shall, upon application  
1511 therefor, issue a license to an applicant for a nonresident  
1512 public adjuster's license upon determining that the applicant  
1513 has paid the applicable license fees required under s. 624.501  
1514 and:

1515 (a) Is a natural person at least 18 years of age.

1516 (b) Has passed to the satisfaction of the department  
1517 ~~office~~ a written Florida public adjuster's examination of the  
1518 scope prescribed in s. 626.241(6); however, the requirement for  
1519 such an examination does not apply to any of the following:

1520           1. An applicant who is licensed as a resident public  
 1521 adjuster in his or her state of residence, when that state  
 1522 requires the passing of a written examination in order to obtain  
 1523 the license and a reciprocal agreement with the appropriate  
 1524 official of that state has been entered into by the department  
 1525 ~~office~~; or

1526           2. An applicant who is licensed as a nonresident public  
 1527 adjuster in a state other than his or her state of residence  
 1528 when the state of licensure requires the passing of a written  
 1529 examination in order to obtain the license and a reciprocal  
 1530 agreement with the appropriate official of the state of  
 1531 licensure has been entered into by the department ~~office~~.

1532           (c) Is self-employed as a public adjuster or associated  
 1533 with or employed by a public adjusting firm or other public  
 1534 adjuster. Applicants licensed as nonresident public adjusters  
 1535 under this section must be appointed as such in accordance with  
 1536 the provisions of ss. 626.112 and 626.451. Appointment fees in  
 1537 the amount specified in s. 624.501 must be paid to the  
 1538 department ~~office~~ in advance. The appointment of a nonresident  
 1539 public adjuster shall continue in force until suspended,  
 1540 revoked, or otherwise terminated, but subject to biennial  
 1541 renewal or continuation by the licensee in accordance with  
 1542 procedures prescribed in s. 626.381 for licensees in general.

1543           (d) Is trustworthy and has such business reputation as  
 1544 would reasonably assure that he or she will conduct his or her  
 1545 business as a nonresident public adjuster fairly and in good  
 1546 faith and without detriment to the public.



1547 (e) Has had sufficient experience, training, or  
 1548 instruction concerning the adjusting of damages or losses under  
 1549 insurance contracts, other than life and annuity contracts; is  
 1550 sufficiently informed as to the terms and effects of the  
 1551 provisions of those types of insurance contracts; and possesses  
 1552 adequate knowledge of the laws of this state relating to such  
 1553 contracts as to enable and qualify him or her to engage in the  
 1554 business of insurance adjuster fairly and without injury to the  
 1555 public or any member thereof with whom he or she may have  
 1556 business as a public adjuster.

1557 (2) The applicant shall furnish the following with his or  
 1558 her application:

1559 (a) A complete set of his or her fingerprints. The  
 1560 applicant's fingerprints must be certified by an authorized law  
 1561 enforcement officer. The department ~~office~~ may not authorize an  
 1562 applicant to take the required examination or issue a  
 1563 nonresident public adjuster's license to the applicant until the  
 1564 department ~~office~~ has received a report from the Florida  
 1565 Department of Law Enforcement and the Federal Bureau of  
 1566 Investigation relative to the existence or nonexistence of a  
 1567 criminal history report based on the applicant's fingerprints.

1568 (b) If currently licensed as a resident public adjuster in  
 1569 the applicant's state of residence, a certificate or letter of  
 1570 authorization from the licensing authority of the applicant's  
 1571 state of residence, stating that the applicant holds a current  
 1572 or comparable license to act as a public adjuster. The  
 1573 certificate or letter of authorization must be signed by the  
 1574 insurance commissioner or his or her deputy or the appropriate

1575 | licensing official and must disclose whether the adjuster has  
 1576 | ever had any license or eligibility to hold any license  
 1577 | declined, denied, suspended, revoked, or placed on probation or  
 1578 | whether an administrative fine or penalty has been levied  
 1579 | against the adjuster and, if so, the reason for the action.

1580 |       (c) If the applicant's state of residence does not require  
 1581 | licensure as a public adjuster and the applicant has been  
 1582 | licensed as a resident insurance adjuster, agent, broker, or  
 1583 | other insurance representative in his or her state of residence  
 1584 | or any other state within the past 3 years, a certificate or  
 1585 | letter of authorization from the licensing authority stating  
 1586 | that the applicant holds or has held a license to act as such an  
 1587 | insurance adjuster, agent, or other insurance representative.  
 1588 | The certificate or letter of authorization must be signed by the  
 1589 | insurance commissioner or his or her deputy or the appropriate  
 1590 | licensing official and must disclose whether or not the  
 1591 | adjuster, agent, or other insurance representative has ever had  
 1592 | any license or eligibility to hold any license declined, denied,  
 1593 | suspended, revoked, or placed on probation or whether an  
 1594 | administrative fine or penalty has been levied against the  
 1595 | adjuster and, if so, the reason for the action.

1596 |       (3) At the time of application for license as a  
 1597 | nonresident public adjuster, the applicant shall file with the  
 1598 | department ~~office~~ a bond executed and issued by a surety insurer  
 1599 | authorized to transact surety business in this state, in the  
 1600 | amount of \$50,000, conditioned for the faithful performance of  
 1601 | his or her duties as a nonresident public adjuster under the  
 1602 | license applied for. The bond must be in favor of the department

HB 1695 CS

2004  
CS

1603 ~~office~~ and must specifically authorize recovery by the  
1604 department office of the damages sustained if the licensee  
1605 commits fraud or unfair practices in connection with his or her  
1606 business as nonresident public adjuster. The aggregate liability  
1607 of the surety for all the damages may not exceed the amount of  
1608 the bond. The bond may not be terminated unless at least 30  
1609 days' written notice is given to the licensee and filed with the  
1610 department office.

1611 (4) The usual and customary records pertaining to  
1612 transactions under the license of a nonresident public adjuster  
1613 must be retained for at least 3 years after completion of the  
1614 adjustment and must be made available in this state to the  
1615 department office upon request. The failure of a nonresident  
1616 public adjuster to properly maintain records and make them  
1617 available to the department office upon request constitutes  
1618 grounds for the immediate suspension of the license issued under  
1619 this section.

1620 (5) After licensure as a nonresident public adjuster, as a  
1621 condition of doing business in this state, the licensee must  
1622 annually on or before January 1, on a form prescribed by the  
1623 department ~~commission~~, submit an affidavit certifying that the  
1624 licensee is familiar with and understands the insurance code and  
1625 rules adopted thereunder and the provisions of the contracts  
1626 negotiated or to be negotiated. Compliance with this filing  
1627 requirement is a condition precedent to the issuance,  
1628 continuation, reinstatement, or renewal of a nonresident public  
1629 adjuster's appointment.

1630 Section 61. Subsections (1), (3), and (4) of section  
1631 626.8734, Florida Statutes, are amended to read:

1632 626.8734 Nonresident independent adjuster's  
1633 qualifications.--

1634 (1) The department ~~office~~ shall, upon application  
1635 therefor, issue a license to an applicant for a nonresident  
1636 independent adjuster's license upon determining that the  
1637 applicant has paid the applicable license fees required under s.  
1638 624.501 and:

1639 (a) Is a natural person at least 18 years of age.

1640 (b) Has passed to the satisfaction of the department  
1641 ~~office~~ a written Florida independent adjuster's examination of  
1642 the scope prescribed in s. 626.241(6); however, the requirement  
1643 for the examination does not apply to any of the following:

1644 1. An applicant who is licensed as a resident independent  
1645 adjuster in his or her state of residence when that state  
1646 requires the passing of a written examination in order to obtain  
1647 the license and a reciprocal agreement with the appropriate  
1648 official of that state has been entered into by the department  
1649 ~~office~~; or

1650 2. An applicant who is licensed as a nonresident  
1651 independent adjuster in a state other than his or her state of  
1652 residence when the state of licensure requires the passing of a  
1653 written examination in order to obtain the license and a  
1654 reciprocal agreement with the appropriate official of the state  
1655 of licensure has been entered into by the department ~~office~~.

1656 (c) Is self-employed or associated with or employed by an  
1657 independent adjusting firm or other independent adjuster.

HB 1695 CS

2004  
CS

1658 Applicants licensed as nonresident independent adjusters under  
 1659 this section must be appointed as such in accordance with the  
 1660 provisions of ss. 626.112 and 626.451. Appointment fees in the  
 1661 amount specified in s. 624.501 must be paid to the department  
 1662 ~~office~~ in advance. The appointment of a nonresident independent  
 1663 adjuster shall continue in force until suspended, revoked, or  
 1664 otherwise terminated, but subject to biennial renewal or  
 1665 continuation by the licensee in accordance with procedures  
 1666 prescribed in s. 626.381 for licensees in general.

1667 (d) Is trustworthy and has such business reputation as  
 1668 would reasonably assure that he or she will conduct his or her  
 1669 business as a nonresident independent adjuster fairly and in  
 1670 good faith and without detriment to the public.

1671 (e) Has had sufficient experience, training, or  
 1672 instruction concerning the adjusting of damages or losses under  
 1673 insurance contracts, other than life and annuity contracts; is  
 1674 sufficiently informed as to the terms and effects of the  
 1675 provisions of those types of insurance contracts; and possesses  
 1676 adequate knowledge of the laws of this state relating to such  
 1677 contracts as to enable and qualify him or her to engage in the  
 1678 business of insurance adjuster fairly and without injury to the  
 1679 public or any member thereof with whom he or she may have  
 1680 business as an independent adjuster.

1681 (3) The usual and customary records pertaining to  
 1682 transactions under the license of a nonresident independent  
 1683 adjuster must be retained for at least 3 years after completion  
 1684 of the adjustment and must be made available in this state to  
 1685 the department ~~office~~ upon request. The failure of a nonresident

HB 1695 CS

2004  
CS

1686 independent adjuster to properly maintain records and make them  
 1687 available to the department ~~office~~ upon request constitutes  
 1688 grounds for the immediate suspension of the license issued under  
 1689 this section.

1690 (4) After licensure as a nonresident independent adjuster,  
 1691 as a condition of doing business in this state, the licensee  
 1692 must annually on or before January 1, on a form prescribed by  
 1693 the department ~~commission~~, submit an affidavit certifying that  
 1694 the licensee is familiar with and understands the insurance laws  
 1695 and administrative rules of this state and the provisions of the  
 1696 contracts negotiated or to be negotiated. Compliance with this  
 1697 filing requirement is a condition precedent to the issuance,  
 1698 continuation, reinstatement, or renewal of a nonresident  
 1699 independent adjuster's appointment.

1700 Section 62. Subsection (4) of section 626.8736, Florida  
 1701 Statutes, is amended to read:

1702 626.8736 Nonresident independent or public adjusters;  
 1703 service of process.--

1704 (4) Upon receiving the service, the Chief Financial  
 1705 Officer shall forthwith send one of the copies of the process,  
 1706 by registered mail with return receipt requested, to the  
 1707 defendant nonresident independent or public adjuster at his or  
 1708 her last address of record with the department ~~office~~.

1709 Section 63. Section 626.8738, Florida Statutes, is amended  
 1710 to read:

1711 626.8738 Penalty for violation.--In addition to any other  
 1712 remedy imposed pursuant to this code, any person who acts as a  
 1713 resident or nonresident public adjuster or holds himself or

HB 1695 CS

2004  
CS

1714 herself out to be a public adjuster to adjust claims in this  
 1715 state, without being licensed by the department ~~office~~ as a  
 1716 public adjuster and appointed as a public adjuster, commits a  
 1717 felony of the third degree, punishable as provided in s.  
 1718 775.082, s. 775.083, or s. 775.084. Each act in violation of  
 1719 this section constitutes a separate offense.

1720 Section 64. Section 626.874, Florida Statutes, is amended  
 1721 to read:

1722 626.874 Catastrophe or emergency adjusters.--

1723 (1) In the event of a catastrophe or emergency, the  
 1724 department ~~office~~ may issue a license, for the purposes and  
 1725 under the conditions which it shall fix and for the period of  
 1726 emergency as it shall determine, to persons who are residents or  
 1727 nonresidents of this state, who are at least 18 years of age,  
 1728 who are United States citizens or legal aliens who possess work  
 1729 authorization from the United States Immigration and  
 1730 Naturalization Service, and who are not licensed adjusters under  
 1731 this part but who have been designated and certified to it as  
 1732 qualified to act as adjusters by independent resident adjusters  
 1733 or by an authorized insurer or by a licensed general lines agent  
 1734 to adjust claims, losses, or damages under policies or contracts  
 1735 of insurance issued by such insurers. The fee for the license  
 1736 shall be as provided in s. 624.501(12)(c).

1737 (2) If any person not a licensed adjuster who has been  
 1738 permitted to adjust such losses, claims, or damages under the  
 1739 conditions and circumstances set forth in subsection (1),  
 1740 engages in any of the misconduct described in or contemplated by  
 1741 ss. 626.611 and 626.621, the department ~~office~~, without notice

HB 1695 CS

2004  
CS

1742 and hearing, shall be authorized to issue its order denying such  
 1743 person the privileges granted under this section; and thereafter  
 1744 it shall be unlawful for any such person to adjust any such  
 1745 losses, claims, or damages in this state.

1746 Section 65. Section 626.878, Florida Statutes, is amended  
 1747 to read:

1748 626.878 Rules; code of ethics.--An adjuster shall  
 1749 subscribe to the code of ethics specified in the rules of the  
 1750 department ~~commission~~. The rules shall implement the provisions  
 1751 of this part and specify the terms and conditions of contracts,  
 1752 including a right to cancel, and require practices necessary to  
 1753 ensure fair dealing, prohibit conflicts of interest, and ensure  
 1754 preservation of the rights of the claimant to participate in the  
 1755 adjustment of claims.

1756 Section 66. Section 627.7012, Florida Statutes, is  
 1757 transferred and renumbered as section 626.879, Florida Statutes,  
 1758 and amended to read:

1759 626.879 ~~627.7012~~ Pools of insurance adjusters.--The  
 1760 department ~~commission~~ may, by rule, establish a pool of  
 1761 qualified insurance adjusters. The rules must provide that, if a  
 1762 hurricane occurs or an emergency is declared, the department  
 1763 ~~office~~ may assign members of the pool to the affected area and  
 1764 that an insurer may request that a member of the pool adjust  
 1765 claims in the assigned area. The rules may not require that an  
 1766 insurer use those adjusters assigned by the department ~~office~~.

1767 Section 67. Subsection (3) of section 626.9543, Florida  
 1768 Statutes, is amended to read:

1769 626.9543 Holocaust victims.--



HB 1695 CS

2004  
CS

1770 (3) DEFINITIONS.--For the purpose of this section:  
 1771 ~~(a) "Department" means the Department of Insurance.~~  
 1772 (a)~~(b)~~ "Holocaust victim" means any person who lost his or  
 1773 her life or property as a result of discriminatory laws,  
 1774 policies, or actions targeted against discrete groups of persons  
 1775 between 1920 and 1945, inclusive, in Nazi Germany, areas  
 1776 occupied by Nazi Germany, or countries allied with Nazi Germany.  
 1777 (b)~~(e)~~ "Insurance policy" means, but is not limited to,  
 1778 life insurance, property insurance, or education policies.  
 1779 (c)~~(d)~~ "Legal relationship" means any parent, subsidiary,  
 1780 or affiliated company with an insurer doing business in this  
 1781 state.  
 1782 (d)~~(e)~~ "Proceeds" means the face or other payout value of  
 1783 policies and annuities plus reasonable interest to date of  
 1784 payments without diminution for wartime or immediate postwar  
 1785 currency devaluation.  
 1786 Section 68. Subsection (9) of section 626.989, Florida  
 1787 Statutes, is amended to read:  
 1788 626.989 Investigation by department or Division of  
 1789 Insurance Fraud; compliance; immunity; confidential information;  
 1790 reports to division; division investigator's power of arrest.--  
 1791 (9) In recognition of the complementary roles of  
 1792 investigating instances of workers' compensation fraud and  
 1793 enforcing compliance with the workers' compensation coverage  
 1794 requirements under chapter 440, the Department of Financial  
 1795 Services shall prepare and submit a joint performance report to  
 1796 the President of the Senate and the Speaker of the House of  
 1797 Representatives by November 1, 2003, and then by January 1 of

1798 | each year. The annual report must include, but need not be  
1799 | limited to:

1800 |       (a) The total number of initial referrals received, cases  
1801 | opened, cases presented for prosecution, cases closed, and  
1802 | convictions resulting from cases presented for prosecution by  
1803 | the Bureau of Workers' Compensation Insurance Fraud by type of  
1804 | workers' compensation fraud and circuit.

1805 |       (b) The number of referrals received from insurers and the  
1806 | Division of Workers' Compensation and the outcome of those  
1807 | referrals.

1808 |       (c) The number of investigations undertaken by the bureau  
1809 | ~~office~~ which were not the result of a referral from an insurer  
1810 | or the Division of Workers' Compensation.

1811 |       (d) The number of investigations that resulted in a  
1812 | referral to a regulatory agency and the disposition of those  
1813 | referrals.

1814 |       (e) The number and reasons provided by local prosecutors  
1815 | or the statewide prosecutor for declining prosecution of a case  
1816 | presented by the bureau ~~office~~ by circuit.

1817 |       (f) The total number of employees assigned to the bureau  
1818 | ~~office~~ and the Division of Workers' Compliance unit delineated  
1819 | by location of staff assigned and the number and location of  
1820 | employees assigned to the bureau ~~office~~ who were assigned to  
1821 | work other types of fraud cases.

1822 |       (g) The average caseload and turnaround time by type of  
1823 | case for each investigator and division compliance employee.

HB 1695 CS

2004  
CS

1824 (h) The training provided during the year to workers'  
1825 compensation fraud investigators and the division's compliance  
1826 employees.

1827 Section 69. Paragraphs (b) and (c) of subsection (2) of  
1828 section 627.0628, Florida Statutes, are amended to read:

1829 627.0628 Florida Commission on Hurricane Loss Projection  
1830 Methodology.--

1831 (2) COMMISSION CREATED.--

1832 (b) The commission shall consist of the following 11  
1833 members:

1834 1. The insurance consumer advocate.

1835 2. The senior employee of the State Board of  
1836 Administration responsible for operations of the Florida  
1837 Hurricane Catastrophe Fund.

1838 3. The Executive Director of the Citizens Property  
1839 Insurance Corporation.

1840 4. The Director of the Division of Emergency Management of  
1841 the Department of Community Affairs.

1842 5. The actuary member of the Florida Hurricane Catastrophe  
1843 Fund Advisory Council.

1844 6. An employee of the office who is an actuary responsible  
1845 for property insurance rate filings and who is appointed by the  
1846 Director of the Office of Insurance Regulation.

1847 ~~7.6.~~ Five ~~Six~~ members appointed by the Chief Financial  
1848 Officer, as follows:

1849 ~~a. An employee of the office who is an actuary responsible~~  
1850 ~~for property insurance rate filings.~~

1851        ~~a.b.~~ An actuary who is employed full time by a property  
 1852 and casualty insurer which was responsible for at least 1  
 1853 percent of the aggregate statewide direct written premium for  
 1854 homeowner's insurance in the calendar year preceding the  
 1855 member's appointment to the commission.

1856        ~~b.e.~~ An expert in insurance finance who is a full time  
 1857 member of the faculty of the State University System and who has  
 1858 a background in actuarial science.

1859        ~~c.d.~~ An expert in statistics who is a full time member of  
 1860 the faculty of the State University System and who has a  
 1861 background in insurance.

1862        ~~d.e.~~ An expert in computer system design who is a full  
 1863 time member of the faculty of the State University System.

1864        ~~e.f.~~ An expert in meteorology who is a full time member of  
 1865 the faculty of the State University System and who specializes  
 1866 in hurricanes.

1867        (c) Members designated under subparagraphs (b)1.-5. shall  
 1868 serve on the commission as long as they maintain the respective  
 1869 offices designated in subparagraphs (b)1.-5. Members appointed  
 1870 by the Chief Financial Officer under subparagraph (b)~~7.6~~ shall  
 1871 serve on the commission until the end of the term of office of  
 1872 the Chief Financial Officer who appointed them, unless earlier  
 1873 removed by the Chief Financial Officer for cause. Vacancies on  
 1874 the commission shall be filled in the same manner as the  
 1875 original appointment.

1876        Section 70. Section 627.285, Florida Statutes, is amended  
 1877 to read:

HB 1695 CS

2004  
CS

1878           627.285 Independent actuarial peer review of workers'  
1879 compensation rating organization.--The office ~~Financial Services~~  
1880 ~~Commission~~ shall at least once every other year contract for an  
1881 independent actuarial peer review and analysis of the ratemaking  
1882 processes of any licensed rating organization that makes rate  
1883 filings for workers' compensation insurance, and the rating  
1884 organization shall fully cooperate in the peer review. The  
1885 contract shall require submission of a final report to the  
1886 commission, the President of the Senate, and the Speaker of the  
1887 House of Representatives by February 1. The first report shall  
1888 be submitted by February 1, 2004. The costs of the independent  
1889 actuarial peer review shall be paid from the Workers'  
1890 Compensation Administration Trust Fund.

1891           Section 71. Paragraph (b) of subsection (11) of section  
1892 627.6699, Florida Statutes, is amended to read:

1893           627.6699 Employee Health Care Access Act.--

1894           (11) SMALL EMPLOYER HEALTH REINSURANCE PROGRAM.--

1895           (b)1. The program shall operate subject to the supervision  
1896 and control of the board.

1897           2. Effective upon this act becoming a law, the board shall  
1898 consist of the Director of the Office of Insurance Regulation  
1899 ~~Chief Financial Officer~~ or his or her designee, who shall serve  
1900 as the chairperson, and 13 additional members who are  
1901 representatives of carriers and insurance agents and are  
1902 appointed by the Director of the Office of Insurance Regulation  
1903 ~~Chief Financial Officer~~ and serve as follows:

1904           a. The Director of the Office of Insurance Regulation  
1905 ~~Chief Financial Officer~~ shall include representatives of small

1906 employer carriers subject to assessment under this subsection.  
 1907 If two or more carriers elect to be risk-assuming carriers, the  
 1908 membership must include at least two representatives of risk-  
 1909 assuming carriers; if one carrier is risk-assuming, one member  
 1910 must be a representative of such carrier. At least one member  
 1911 must be a carrier who is subject to the assessments, but is not  
 1912 a small employer carrier. Subject to such restrictions, at least  
 1913 five members shall be selected from individuals recommended by  
 1914 small employer carriers pursuant to procedures provided by rule  
 1915 of the commission. Three members shall be selected from a list  
 1916 of health insurance carriers that issue individual health  
 1917 insurance policies. At least two of the three members selected  
 1918 must be reinsuring carriers. Two members shall be selected from  
 1919 a list of insurance agents who are actively engaged in the sale  
 1920 of health insurance.

1921 b. A member appointed under this subparagraph shall serve  
 1922 a term of 4 years and shall continue in office until the  
 1923 member's successor takes office, except that, in order to  
 1924 provide for staggered terms, the Director of the Office of  
 1925 Insurance Regulation ~~Chief Financial Officer~~ shall designate two  
 1926 of the initial appointees under this subparagraph to serve terms  
 1927 of 2 years and shall designate three of the initial appointees  
 1928 under this subparagraph to serve terms of 3 years.

1929 3. The Director of the Office of Insurance Regulation  
 1930 ~~Chief Financial Officer~~ may remove a member for cause.

1931 4. Vacancies on the board shall be filled in the same  
 1932 manner as the original appointment for the unexpired portion of  
 1933 the term.

1934           5.    The Director of the Office of Insurance Regulation  
 1935 ~~Chief Financial Officer~~ may require an entity that recommends  
 1936 persons for appointment to submit additional lists of  
 1937 recommended appointees.

1938           Section 72. The transfer of the regulation of adjusters  
 1939 from the Office of Insurance Regulation to the Department of  
 1940 Financial Services by this act shall not affect the regulation  
 1941 of adjusters in any administrative or judicial action of the  
 1942 Office of Insurance Regulation arising out of or involving the  
 1943 Office of Insurance Regulation prior to or pending on the  
 1944 effective date of this act, and the Department of Financial  
 1945 Services shall be substituted as a party in interest on any such  
 1946 pending action.

1947           Section 73. Any license, form, or action that was approved  
 1948 or authorized by the Financial Services Commission or the Office  
 1949 of Insurance Regulation that was otherwise lawfully in use prior  
 1950 to the effective date of this act may continue to be used, or be  
 1951 effective as originally authorized or permitted, until the  
 1952 Department of Financial Services otherwise prescribes.

1953           Section 74. Upon the effective date of this act, the rules  
 1954 or portions thereof of the Financial Services Commission that  
 1955 govern the regulation of insurance adjusters shall become rules  
 1956 or portions thereof of the Department of Financial Services as  
 1957 is appropriate to the corresponding regulatory or constitutional  
 1958 function and shall remain in effect until specifically amended  
 1959 or repealed in the manner provided by law.

1960           Section 75. Section 215.31, Florida Statutes, is amended  
 1961 to read:

HB 1695 CS

2004  
CS

1962           215.31 State funds; deposit in State Treasury.--  
 1963           (1) Revenue, including licenses, fees, imposts, or  
 1964 exactions collected or received under the authority of the laws  
 1965 of the state by each and every state official, office, employee,  
 1966 bureau, division, board, commission, institution, agency, or  
 1967 undertaking of the state or the judicial branch shall be  
 1968 promptly deposited in the State Treasury, and immediately  
 1969 credited to the appropriate fund as herein provided, properly  
 1970 accounted for by the Department of Financial Services as to  
 1971 source and no money shall be paid from the State Treasury except  
 1972 as appropriated and provided by the annual General  
 1973 Appropriations Act, or as otherwise provided by law.

1974           (2) Every state official, office, employee, bureau,  
 1975 division, board, commission, institution, agency, or undertaking  
 1976 of the state or the judicial branch that enters into a  
 1977 settlement of an action or a claim brought on behalf of the  
 1978 state against any person shall ensure that all funds received or  
 1979 paid pursuant to the settlement are promptly deposited into the  
 1980 State Treasury; however, funds designated in the settlement for  
 1981 purposes of restitution to affected individuals shall be  
 1982 promptly transmitted to the intended beneficiaries thereof. No  
 1983 funds due and owing to the state under a settlement may be  
 1984 maintained outside the State Treasury unless otherwise  
 1985 specifically authorized by law.

1986           Section 76. Subsection (1) of section 215.95, Florida  
 1987 Statutes, is amended to read:

1988           215.95 Financial Management Information Board.--



HB 1695 CS

2004  
CS

1989 (1) There is created, as part of the Administration  
 1990 Commission, the Financial Management Information Board. The  
 1991 board shall be composed of the Governor, the Chief Financial  
 1992 Officer, the Commissioner of Agriculture, and the Attorney  
 1993 General. The Governor shall be chair of the board. The Governor  
 1994 or the Chief Financial Officer may call a meeting of the board  
 1995 at any time the need arises.

1996 Section 77. Subsections (2) and (4) of section 215.96,  
 1997 Florida Statutes, are amended to read:

1998 215.96 Coordinating council and design and coordination  
 1999 staff.--

2000 (2) The coordinating council shall consist of the Chief  
 2001 Financial Officer; the Commissioner of Agriculture; the  
 2002 secretary of the Department of Management Services; the Attorney  
 2003 General; and the Director of Planning and Budgeting, Executive  
 2004 Office of the Governor, or their designees. The Chief Financial  
 2005 Officer, or his or her designee, shall be chair of the  
 2006 coordinating council, and the design and coordination staff  
 2007 shall provide administrative and clerical support to the council  
 2008 and the board. The design and coordination staff shall maintain  
 2009 the minutes of each meeting and shall make such minutes  
 2010 available to any interested person. The Auditor General, the  
 2011 State Courts Administrator, an executive officer of the Florida  
 2012 Association of State Agency Administrative Services Directors,  
 2013 and an executive officer of the Florida Association of State  
 2014 Budget Officers, or their designees, shall serve without voting  
 2015 rights as ex officio members on the coordinating council. The  
 2016 chair may call meetings of the coordinating council as often as

2017 necessary to transact business; however, the coordinating  
 2018 council shall meet at least once a year. Action of the  
 2019 coordinating council shall be by motion, duly made, seconded and  
 2020 passed by a majority of the coordinating council voting in the  
 2021 affirmative for approval of items that are to be recommended for  
 2022 approval to the Financial Management Information Board.

2023 (4) The Financial Management Information Board, through  
 2024 the coordinating council, shall provide the necessary planning,  
 2025 implementation, and integration policies, coordination  
 2026 procedures, and reporting processes to facilitate the successful  
 2027 and efficient integration of the central administrative and  
 2028 financial management information systems, including the Florida  
 2029 Accounting Information Resource system (FLAIR), Cash Management  
 2030 System (CMS), and FLAIR/CMS replacement project, the payroll  
 2031 system in the Department of Financial Services, the Legislative  
 2032 Appropriations System/Planning and Budgeting Subsystem  
 2033 (LAS/PBS), the State Purchasing System (SPURS) and MyFlorida  
 2034 Marketplace project, the Cooperative Personnel Employment  
 2035 Subsystem (COPES) and the PeopleFirst Outsourcing project, and  
 2036 the State Unified Tax system (SUNTAX).

2037 (a) To fulfill this role, the coordinating council shall  
 2038 establish an Enterprise Resource Planning Integration Task  
 2039 Force, which shall consist of the coordinating council members  
 2040 plus the Chief Information Officer in the State Technology  
 2041 Office and the Executive Director or designee in the Department  
 2042 of Revenue, who shall serve with voting rights on the task  
 2043 force. The nonvoting ex officio members of the coordinating  
 2044 council shall be nonvoting members of the task force.

HB 1695 CS

2004  
CS

2045 (b) The task force shall be established by August 1, 2003,  
2046 and shall remain in existence until the integration goals have  
2047 been achieved among the FLAIR/CMS Replacement project, SPURS and  
2048 MyFlorida Marketplace project, COPES and PeopleFirst project,  
2049 payroll system, LAS/PBS, and SUNTAX system, or until June 30,  
2050 2005, whichever is later. The task force shall hold its initial  
2051 meeting no later than September 1, 2003, and shall meet at the  
2052 call of the chair or at least once every 60 days. In its initial  
2053 meeting, task force members shall:

2054 1. Adopt a task force charter that identifies major  
2055 objectives, activities, milestones and deliverables, significant  
2056 assumptions, and constraints on the task force functions and  
2057 major stakeholder groups interested in the outcome of the task  
2058 force.

2059 2. Consider and adopt processes by which information will  
2060 be collected and business process and technical integration  
2061 issues will be raised for analysis and recommendation by the  
2062 task force.

2063 3. Elect a member to serve as vice chair. Any vacancy in  
2064 the vice chair position shall be filled by similar election  
2065 within 30 days after the date the vacancy is effective.

2066 (c) The coordinating council shall provide administrative  
2067 and technical support to the task force as is reasonably  
2068 necessary for the task force to effectively and timely carry out  
2069 its duties and responsibilities. The cost of providing such  
2070 support may be paid from funds appropriated for the operation of  
2071 the council or the FLAIR/CMS Replacement project. The task force  
2072 also may contract for services to obtain specific expertise to

2073 analyze, facilitate, and formulate recommendations to address  
 2074 process and technical integration problems that need to be  
 2075 resolved.

2076 (d) Using information and input from project teams and  
 2077 stakeholders responsible for the FLAIR/CMS Replacement project,  
 2078 SPURS and MyFlorida Marketplace project, COPES and PeopleFirst  
 2079 project, payroll system, LAS/PBS, and SUNTAX system, the  
 2080 responsibilities of the task force shall include, but not be  
 2081 limited to:

2082 1. Identifying and documenting central administrative and  
 2083 financial management policies, procedures, and processes that  
 2084 need to be integrated and recommending steps for implementation.

2085 2. Collecting information from the subsystem owners and  
 2086 project teams and developing and publishing a consolidated list  
 2087 of enterprise resource planning functional and technical  
 2088 integration requirements.

2089 3. Publishing integration plans and timelines based on  
 2090 information collected from task force members.

2091 4. Forming committees, workgroups, and teams as provided  
 2092 in subsection (3).

2093 5. Developing recommendations for the Financial Management  
 2094 Information Board which clearly describe any business or  
 2095 technical problems that need to be addressed, the options for  
 2096 resolving the problem, and the recommended actions.

2097 6. Developing and implementing plans for reporting status  
 2098 of integration efforts.

2099 (e) The task force shall provide recommendations to the  
 2100 Financial Management Information Board for review and approval

HB 1695 CS

2004  
CS

2101 regarding the technical, procedural, policy, and process  
2102 requirements and changes that are needed to successfully  
2103 integrate, implement, and realize the benefits of the enterprise  
2104 resource planning initiatives associated with the FLAIR/CMS  
2105 Replacement project, SPURS and MyFlorida Marketplace project,  
2106 COPES and PeopleFirst project, payroll system, LAS/PBS, and  
2107 SUNTAX system. The first of these reports should be provided no  
2108 later than October 3, 2003.

2109 (f) The task force shall monitor, review, and evaluate the  
2110 progress of the FLAIR/CMS Replacement project, SPURS and  
2111 MyFlorida Marketplace project, COPES and PeopleFirst project,  
2112 payroll system, LAS/PBS, and SUNTAX system, in implementing the  
2113 process and technical integration requirements and changes  
2114 approved by the Financial Management Information Board and in  
2115 achieving the necessary integration among the central  
2116 administrative and financial management information systems  
2117 represented on the task force. The task force shall prepare and  
2118 submit quarterly reports to the Executive Office of the  
2119 Governor, the chairs of the Senate Appropriations Committee and  
2120 the House Appropriations Committee, and the Financial Management  
2121 Information Board. Each quarterly report shall identify and  
2122 describe the technical, procedural, policy, and process  
2123 requirements and changes proposed and adopted by the board and  
2124 shall describe the status of the implementation of these  
2125 integration efforts, identify any problems, issues, or risks  
2126 that require executive-level action, and report actual costs  
2127 related to the Enterprise Resource Planning Integration Task  
2128 Force.

HB 1695 CS

2004  
CS

2129 (g) By January 15, 2004, and annually thereafter, until it  
 2130 is disbanded, the Enterprise Resource Planning Integration Task  
 2131 Force shall report to the Financial Management Information  
 2132 Board, the Speaker of the House of Representatives, and the  
 2133 President of the Senate the results of the task force's  
 2134 monitoring, review, and evaluation of enterprise resource  
 2135 planning integration activities and requirements, and any  
 2136 recommendations for statutory changes to be considered by the  
 2137 Legislature.

2138 (h) This subsection expires July 1, 2008 ~~2004~~.

2139 Section 78. Section 17.0416, Florida Statutes, is created  
 2140 to read:

2141 17.0416 Authority to provide services on a fee basis.--

2142 (1) The Chief Financial Officer, through the Department of  
 2143 Financial Services, may provide accounting and payroll services  
 2144 on a fee basis under contractual agreement with eligible  
 2145 entities, including, but not limited to, state universities,  
 2146 community colleges, units of local government, constitutional  
 2147 officers, and any other person or entity having received any  
 2148 property, funds, or moneys of the state.

2149 (2) The Department of Financial Services may adopt any  
 2150 rules necessary to implement this section.

2151 Section 79. Subsection (2) of section 17.57, Florida  
 2152 Statutes, is amended to read:

2153 17.57 Deposits and investments of state money.--

2154 (2) The Chief Financial Officer shall make funds available  
 2155 to meet the disbursement needs of the state. Funds which are not  
 2156 needed for this purpose shall be placed in qualified public

HB 1695 CS

2004  
CS

2157 depositories that will pay rates established by the Chief  
 2158 Financial Officer at levels not less than the prevailing rate  
 2159 for United States Treasury securities with a corresponding  
 2160 maturity. In the event money is available for interest-bearing  
 2161 time deposits or savings accounts as provided herein and  
 2162 qualified public depositories are unwilling to accept such money  
 2163 and pay thereon the rates established above, then such money  
 2164 which qualified public depositories are unwilling to accept  
 2165 shall be invested in:

- 2166 (a) Direct United States Treasury obligations.
- 2167 (b) Obligations of the Federal Farm Credit Banks.
- 2168 (c) Obligations of the Federal Home Loan Bank and its  
 2169 district banks.
- 2170 (d) Obligations of the Federal Home Loan Mortgage  
 2171 Corporation, including participation certificates.
- 2172 (e) Obligations guaranteed by the Government National  
 2173 Mortgage Association.
- 2174 (f) Obligations of the Federal National Mortgage  
 2175 Association.
- 2176 (g) Commercial paper of prime quality of the highest  
 2177 letter and numerical rating as provided for by at least one  
 2178 nationally recognized rating service.
- 2179 (h) Time drafts or bills of exchange drawn on and accepted  
 2180 by a commercial bank, otherwise known as "bankers acceptances,"  
 2181 which are accepted by a member bank of the Federal Reserve  
 2182 System having total deposits of not less than \$400 million or  
 2183 which are accepted by a commercial bank which is not a member of  
 2184 the Federal Reserve System with deposits of not less than \$400

HB 1695 CS

2004  
CS

2185 million and which is licensed by a state government or the  
 2186 Federal Government, and whose senior debt issues are rated in  
 2187 one of the two highest rating categories by a nationally  
 2188 recognized rating service and which are held in custody by a  
 2189 domestic bank which is a member of the Federal Reserve System.

2190 (i) Corporate obligations or corporate master notes of any  
 2191 corporation within the United States, if the long-term  
 2192 obligations of such corporation are rated by at least two  
 2193 nationally recognized rating services in any one of the four  
 2194 highest classifications. However, if such obligations are rated  
 2195 by only one nationally recognized rating service, then the  
 2196 obligations shall be rated in any one of the two highest  
 2197 classifications.

2198 (j) Obligations of the Student Loan Marketing Association.

2199 (k) Obligations of the Resolution Funding Corporation.

2200 (l) Asset-backed or mortgage-backed securities of the  
 2201 highest credit quality.

2202 (m) Any obligations not previously listed which are  
 2203 guaranteed as to principal and interest by the full faith and  
 2204 credit of the United States Government or are obligations of  
 2205 United States agencies or instrumentalities which are rated in  
 2206 the highest category by a nationally recognized rating service.

2207 (n) Commingled no-load investment funds or no-load mutual  
 2208 funds in which all securities held by the funds are authorized  
 2209 in this subsection.

2210 (o) Money market mutual funds as defined and regulated by  
 2211 the Securities and Exchange Commission.



HB 1695 CS

2004  
CS

2212 (p) Obligations of state and local governments rated in  
 2213 any of the four highest classifications by at least two  
 2214 nationally recognized rating services. However, if such  
 2215 obligations are rated by only one nationally recognized rating  
 2216 service, then the obligations shall be rated in any one of the  
 2217 two highest classifications.

2218 (q) Derivatives of investment instruments authorized in  
 2219 paragraphs (a)-(m).

2220 (r) Covered put and call options on investment instruments  
 2221 authorized in this subsection for the purpose of hedging  
 2222 transactions by investment managers to mitigate risk or to  
 2223 facilitate portfolio management.

2224 (s) Negotiable certificates of deposit issued by financial  
 2225 institutions whose long-term debt is rated in one of the three  
 2226 highest categories by at least two nationally recognized rating  
 2227 services, the investment in which shall not be prohibited by any  
 2228 provision of chapter 280.

2229 (t) Foreign bonds denominated in United States dollars and  
 2230 registered with the Securities and Exchange Commission for sale  
 2231 in the United States, if the long-term obligations of such  
 2232 issuers are rated by at least two nationally recognized rating  
 2233 services in any one of the four highest classifications.  
 2234 However, if such obligations are rated by only one nationally  
 2235 recognized rating service, the obligations shall be rated in any  
 2236 one of the two highest classifications.

2237 (u) Convertible debt obligations of any corporation  
 2238 domiciled within the United States, if the convertible debt  
 2239 issue is rated by at least two nationally recognized rating

2240 services in any one of the four highest classifications.  
 2241 However, if such obligations are rated by only one nationally  
 2242 recognized rating service, then the obligations shall be rated  
 2243 in any one of the two highest classifications.

2244 (v) Securities not otherwise described in this subsection.  
 2245 However, not more than 3 percent of the funds under the control  
 2246 of the Chief Financial Officer shall be invested in securities  
 2247 described in this paragraph.

2248  
 2249 These investments may be in varying maturities and may be in  
 2250 book-entry form. Investments made pursuant to this subsection  
 2251 may be under repurchase agreement or reverse repurchase  
 2252 agreement. The Chief Financial Officer may hire registered  
 2253 investment advisers and other consultants to assist in  
 2254 investment management and to pay fees directly from investment  
 2255 earnings. Investment securities, proprietary investment services  
 2256 related to contracts, performance evaluation services,  
 2257 investment-related equipment or software used directly to assist  
 2258 investment trading or investment accounting operations including  
 2259 bond calculators, telerates, Bloombergs, special program  
 2260 calculators, intercom systems, and software used in accounting,  
 2261 communications, and trading, and advisory and consulting  
 2262 contracts made under this section are exempt from the provisions  
 2263 of chapter 287.

2264 Section 80. Section 17.59, Florida Statutes, is amended to  
 2265 read:

2266 17.59 Collateral management ~~Safekeeping~~ services.--

2267           (1) The Chief Financial Officer shall administer a  
 2268 collateral management service for all ~~may accept for safekeeping~~  
 2269 ~~purposes, deposits of cash, securities, and other documents or~~  
 2270 ~~articles of value from any state agencies~~ agency as defined in  
 2271 s. 216.011, or any county, city, or political subdivision  
 2272 thereof, or other public authority that require by law, rule, or  
 2273 contract the deposit or pledge of collateral.

2274           (2) Eligible collateral listed in s. 17.57 may be  
 2275 deposited or pledged using the following collateral arrangements  
 2276 as approved by the Chief Financial Officer:

2277           (a) Collateral deposited and held by a custodian of the  
 2278 Chief Financial Officer.

2279           (b) Collateral pledged to the Chief Financial Officer.

2280           (c) Securities and articles of value deposited and held by  
 2281 the Chief Financial Officer.

2282           (d) Cash deposited in the Treasury Cash Deposit Trust Fund  
 2283 and the Public Deposits Trust Fund.

2284           (e) Cash deposited with the Chief Financial Officer as  
 2285 escrow agent.

2286           (3) The Chief Financial Officer may adopt any rules  
 2287 necessary for the proper management and maintenance of the  
 2288 collateral management service.

2289           (4)~~(2)~~ The Chief Financial Officer may, in his or her  
 2290 discretion, establish a fee for processing, servicing, and  
 2291 safekeeping deposits and other documents or articles of value  
 2292 maintained by held in the Chief Financial Officer's ~~Officer's~~  
 2293 ~~vaults~~ as requested by the various entities according to a  
 2294 service level agreement or as provided for by law. Such fee

HB 1695 CS

2004  
CS

2295 shall be equivalent to the fee charged by financial institutions  
2296 for processing, servicing, and safekeeping the same types of  
2297 deposits and other documents or articles of value.

2298 (5)~~(3)~~ The Chief Financial Officer shall collect in  
2299 advance, and persons so served shall pay to the Chief Financial  
2300 Officer in advance, the miscellaneous charges as described in a  
2301 service level agreement follows:

2302 ~~(a) For copies of documents or records on file with the~~  
2303 ~~Chief Financial Officer, per page.....\$.50.~~

2304 ~~(b) For each certificate of the Chief Financial Officer,~~  
2305 ~~certified or under the Chief Financial Officer's seal,~~  
2306 ~~authenticating any document or other instrument.....\$5.00.~~

2307 (6)~~(4)~~ All fees collected for the services described in  
2308 this section shall be deposited in the Treasury Administrative  
2309 and Investment Trust Fund.

2310 Section 81. Subsection (1) of section 17.61, Florida  
2311 Statutes, is amended to read:

2312 17.61 Chief Financial Officer; powers and duties in the  
2313 investment of certain funds.--

2314 (1) The Chief Financial Officer shall invest all general  
2315 revenue funds and all the trust funds and all agency funds of  
2316 each state agency, and of the judicial branch, as defined in s.  
2317 216.011, and may, upon request, invest funds of any ~~statutorily~~  
2318 ~~created~~ board, association, or entity created by the State  
2319 Constitution or by law, except for the funds required to be  
2320 invested pursuant to ss. 215.44-215.53, by the procedure and in  
2321 the authorized securities prescribed in s. 17.57; for this  
2322 purpose, the Chief Financial Officer may open and maintain one

HB 1695 CS

2004  
CS

2323 or more demand and safekeeping accounts in any bank or savings  
 2324 association for the investment and reinvestment and the  
 2325 purchase, sale, and exchange of funds and securities in the  
 2326 accounts. Funds in such accounts used solely for investments and  
 2327 reinvestments shall be considered investment funds and not funds  
 2328 on deposit, and such funds shall be exempt from the provisions  
 2329 of chapter 280. In addition, the securities or investments  
 2330 purchased or held under the provisions of this section and s.  
 2331 17.57 may be loaned to securities dealers and banks and may be  
 2332 registered by the Chief Financial Officer in the name of a  
 2333 third-party nominee in order to facilitate such loans, provided  
 2334 the loan is collateralized by cash or United States government  
 2335 securities having a market value of at least 100 percent of the  
 2336 market value of the securities loaned. The Chief Financial  
 2337 Officer shall keep a separate account, designated by name and  
 2338 number, of each fund. Individual transactions and totals of all  
 2339 investments, or the share belonging to each fund, shall be  
 2340 recorded in the accounts.

2341 Section 82. Paragraph (e) is added to subsection (4) of  
 2342 section 112.215, Florida Statutes, and subsection (11) of said  
 2343 section is amended, to read:

2344 112.215 Government employees; deferred compensation  
 2345 program.--

2346 (4)

2347 (e) The administrative costs of the deferred compensation  
 2348 plan shall be wholly or partially self-funded. Fees for such  
 2349 self-funding of the plan shall be paid by investment providers  
 2350 and may be recouped from their respective plan participants.

2351 Such fees shall be deposited in the Deferred Compensation Trust  
 2352 Fund.

2353 (11) With respect to any funds held pursuant to a deferred  
 2354 compensation plan, any investment option ~~plan~~ provider which is  
 2355 a bank or savings association and which provides time deposit  
 2356 accounts and certificates of deposit as an investment product to  
 2357 the plan participants may, with the approval of the State Board  
 2358 of Administration for providers in the state plan, or with the  
 2359 approval of the appropriate official or body designated under  
 2360 subsection (5) for a plan of a county, municipality, other  
 2361 political subdivision, or constitutional county officer, be  
 2362 exempt from the provisions of chapter 280 requiring it to be a  
 2363 qualified public depository, provided:

2364 (a) The bank or savings association shall, to the extent  
 2365 that the time deposit accounts or certificates of deposit are  
 2366 not insured by the Federal Deposit Insurance Corporation,  
 2367 deposit or issue collateral with the Chief Financial Officer for  
 2368 all state funds held by it under a deferred compensation plan,  
 2369 or with such other appropriate official for all public funds  
 2370 held by it under a deferred compensation plan of a county,  
 2371 municipality, other political subdivision, or constitutional  
 2372 county officer, in an amount which equals at least 150 percent  
 2373 of all uninsured deferred compensation funds then held.

2374 (b) Said collateral shall be of the kind permitted by s.  
 2375 280.13 and shall be pledged in the manner provided for by the  
 2376 applicable provisions of chapter 280.

2377

HB 1695 CS

2004  
CS

2378 | The Chief Financial Officer shall have all the applicable powers  
 2379 | provided in ss. 280.04, 280.05, and 280.08 relating to the sale  
 2380 | or other disposition of the pledged collateral.

2381 |         Section 83. Subsection (10) is added to section 287.064,  
 2382 | Florida Statutes, to read:

2383 |             287.064 Consolidated financing of deferred-payment  
 2384 | purchases.--

2385 |             (10) Costs incurred pursuant to a guaranteed energy  
 2386 | performance savings contract, including the cost of energy  
 2387 | conservation measures, each as defined in s. 489.145, may be  
 2388 | financed pursuant to a master equipment financing agreement  
 2389 | entered into pursuant to this section, provided the costs of  
 2390 | training, operation, and maintenance shall not be financed.  
 2391 | Repayment of the funds drawn pursuant to the master equipment  
 2392 | financing agreement pursuant to this subsection may exceed 5  
 2393 | years but shall not exceed 10 years.

2394 |         Section 84. This act shall take effect upon becoming a  
 2395 | law.