

By the Committee on Banking and Insurance; and Senator
Argenziano

311-2330-04

1 A bill to be entitled
2 An act relating to insurance agents and
3 agencies; amending s. 624.318, F.S.;
4 authorizing the electronic reproduction of
5 documents relating to the subject of an
6 investigation; amending s. 624.501, F.S.;
7 clarifying a license fee; amending s. 626.015,
8 F.S.; defining the term "personal lines agent";
9 amending s. 626.016, F.S.; subjecting insurance
10 agencies to regulation by the Chief Financial
11 Officer; amending s. 626.022, F.S.; providing
12 for application; amending s. 626.112, F.S.;
13 delaying the effective date by which agencies
14 must obtain a license; imposing a fine on any
15 agency that fails to timely apply for
16 licensure; deleting a contingent requirement
17 for insurance agency licensure; amending s.
18 626.171, F.S.; specifying licensure application
19 requirements for insurance entities other than
20 insurance agencies; deleting a provision
21 applying to insurance agencies; amending s.
22 626.172, F.S.; revising insurance agency
23 licensure application requirements; amending s.
24 626.191, F.S.; clarifying repeated application
25 provisions; amending s. 626.201, F.S.;
26 clarifying a department-authorized
27 interrogatories provision; amending s. 626.221,
28 F.S.; deleting provisions that permit certain
29 persons who previously qualified as managing
30 general agents, service or customer
31 representatives, or all-lines adjusters to be

1 licensed as general lines agents without an
2 examination; providing for certain adjusters to
3 be relicensed without examination; amending s.
4 626.241, F.S.; limiting the scope of personal
5 lines agent examinations; amending s. 626.2815,
6 F.S.; revising continuing education
7 requirements; amending s. 626.311, F.S.;
8 limiting the types of business that may be
9 transacted by personal lines agents; amending
10 s. 626.342, F.S.; including insurance agencies
11 under provisions prohibiting furnishing
12 supplies to certain unlicensed agents and
13 imposing civil liability under certain
14 circumstances; amending s. 626.382, F.S.;
15 requiring licensure renewal application forms
16 to be adopted; amending s. 626.451, F.S.;
17 clarifying the effect of appointment; amending
18 s. 626.536, F.S.; including insurance agencies
19 under an action-reporting requirement; amending
20 s. 626.561, F.S.; including insurance agencies
21 under provisions providing funds reporting and
22 accounting requirements and imposing criminal
23 penalties; amending s. 626.572, F.S.; including
24 insurance agencies under provisions prohibiting
25 rebating; amending s. 626.601, F.S.; including
26 insurance agencies under provisions authorizing
27 the department to inquire into improper
28 conduct; creating s. 626.602, F.S.; authorizing
29 the Department of Financial Services to
30 disapprove the use of certain names under
31 certain circumstances; amending s. 626.6115,

1 F.S.; providing an additional ground for the
2 department to take compulsory adverse insurance
3 agency license actions; providing that grounds
4 for adverse action against a licensed agency do
5 not necessarily constitute grounds for adverse
6 action against another licensed agency, even if
7 there is common ownership; amending s.
8 626.6215, F.S.; providing an additional ground
9 for the department to take discretionary
10 adverse insurance agency license actions;
11 providing that grounds for adverse action
12 against a licensed agency do not necessarily
13 constitute grounds for adverse action against
14 another licensed agency, even if there is
15 common ownership; amending s. 626.641, F.S.;
16 providing additional criteria for duration of
17 license suspensions or revocations; amending s.
18 626.727, F.S.; providing that certain
19 provisions apply to personal lines agents;
20 amending s. 626.732, F.S.; revising certain
21 education and experience requirements for
22 personal lines agents; amending s. 626.7351,
23 F.S.; providing an age requirement for customer
24 representatives; amending ss. 626.292 and
25 626.321, F.S.; correcting cross-references;
26 revising criteria for issuing an agent's
27 license for limited classes of business
28 relating to insurance sales incidental to the
29 rental or lease of motor vehicles; providing
30 additional license application requirements;
31 providing that this act does not require the

1 department to begin issuing certain licenses by
2 the effective date of the act, under specified
3 conditions; repealing s. 626.592, F.S.,
4 relating to primary agents; providing an
5 effective date.

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

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9 Section 1. Subsection (7) is added to section 624.318,
10 Florida Statutes, to read:

11 624.318 Conduct of examination or investigation;
12 access to records; correction of accounts; appraisals.--

13 (7)(a) The department or office or its examiners or
14 investigators may electronically reproduce accounts, records,
15 documents, files, and information relating to the subject of
16 the examination or investigation which are in the possession
17 or control of the person being examined or investigated.

18 (b) Notwithstanding subsection (5), a person being
19 examined or investigated may not refuse to consent to the
20 removal of any record, account, document, file, or other
21 property of that person from the offices of such person when
22 removal is for the purpose of electronic reproduction unless
23 the person provides reasonable access to electronic
24 reproduction facilities at the person's office.

25 (c) The reasonable expense of any such reproduction
26 shall be borne by the person being examined or investigated.

27 (d) This subsection applies to all investigations and
28 examinations authorized by the Florida Insurance Code.

29 Section 2. Subsection (20) of section 624.501, Florida
30 Statutes, is amended to read:

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1 624.501 Filing, license, appointment, and
2 miscellaneous fees.--The department, commission, or office, as
3 appropriate, shall collect in advance, and persons so served
4 shall pay to it in advance, fees, licenses, and miscellaneous
5 charges as follows:

6 (20) ~~Insurance agency or~~ Adjusting firm, original or
7 renewal 3-year license.....\$60.00

8 Section 3. Present subsections (15) through (17) of
9 section 626.015, Florida Statutes, are redesignated as
10 subsections (16) through (18), respectively, and a new
11 subsection (15) is added to that section to read:

12 626.015 Definitions.--As used in this part:

13 (15) "Personal lines agent" means a general lines
14 agent who is limited to transacting business related to
15 property and casualty insurance sold to individuals and
16 families for noncommercial purposes.

17 Section 4. Subsection (1) of section 626.016, Florida
18 Statutes, is amended to read:

19 626.016 Powers and duties of department, commission,
20 and office.--

21 (1) The powers and duties of the Chief Financial
22 Officer and the department specified in this part apply only
23 with respect to insurance agents, insurance agencies, managing
24 general agents, reinsurance intermediaries, viatical
25 settlement brokers, customer representatives, service
26 representatives, and agencies.

27 Section 5. Subsection (3) is added to section 626.022,
28 Florida Statutes, to read:

29 626.022 Scope of part.--

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1 (3) Provisions of this part that apply to general
2 lines agents and applicants also apply to personal lines
3 agents and applicants, except where otherwise provided.

4 Section 6. Subsection (7) of section 626.112, Florida
5 Statutes, is amended to read:

6 626.112 License and appointment required; agents,
7 customer representatives, adjusters, insurance agencies,
8 service representatives, managing general agents.--

9 (7)(a) Effective October 1, 2005, no individual, firm,
10 partnership, corporation, association, or any other entity
11 shall act in its own name or under a trade name, directly or
12 indirectly, as an insurance agency, when required to be
13 licensed by this subsection, unless it complies with s.
14 626.172 with respect to possessing an insurance agency license
15 for each place of business at which it engages in any activity
16 which may be performed only by a licensed insurance agent.
17 Each agency engaged in business before October 1, 2005, shall
18 file an application for licensure by October 1, 2005. If an
19 agency fails to file an application for licensure in
20 accordance with this section, the department shall impose on
21 the agency an administrative penalty in an amount of up to
22 \$10,000.

23 ~~(b) An insurance agency shall, as a condition~~
24 ~~precedent to continuing business, obtain an insurance agency~~
25 ~~license if the department finds that, with respect to any~~
26 ~~majority owner, partner, manager, director, officer, or other~~
27 ~~person who manages or controls the agency, any person has,~~
28 ~~subsequent to the effective date of this act:~~

29 ~~1. Been found guilty of, or has pleaded guilty or nolo~~
30 ~~contendere to, a felony in this state or any other state~~
31 ~~relating to the business of insurance or to an insurance~~

1 ~~agency, without regard to whether a judgment of conviction has~~
2 ~~been entered by the court having jurisdiction of the cases.~~

3 2. ~~Employed any individual in a managerial capacity or~~
4 ~~in a capacity dealing with the public who is under an order of~~
5 ~~revocation or suspension issued by the department. An~~
6 ~~insurance agency may request, on forms prescribed by the~~
7 ~~department, verification of any person's license status. If a~~
8 ~~request is mailed within 5 working days after an employee is~~
9 ~~hired, and the employee's license is currently suspended or~~
10 ~~revoked, the agency shall not be required to obtain a license,~~
11 ~~if the unlicensed person's employment is immediately~~
12 ~~terminated.~~

13 3. ~~Operated the agency or permitted the agency to be~~
14 ~~operated in violation of s. 626.747.~~

15 4. ~~With such frequency as to have made the operation~~
16 ~~of the agency hazardous to the insurance-buying public or~~
17 ~~other persons:~~

18 a. ~~Solicited or handled controlled business. This~~
19 ~~subparagraph shall not prohibit the licensing of any lending~~
20 ~~or financing institution or creditor, with respect to~~
21 ~~insurance only, under credit life or disability insurance~~
22 ~~policies of borrowers from the institutions, which policies~~
23 ~~are subject to part IX of chapter 627.~~

24 b. ~~Misappropriated, converted, or unlawfully withheld~~
25 ~~moneys belonging to insurers, insureds, beneficiaries, or~~
26 ~~others and received in the conduct of business under the~~
27 ~~license.~~

28 c. ~~Unlawfully rebated, attempted to unlawfully rebate,~~
29 ~~or unlawfully divided or offered to divide commissions with~~
30 ~~another.~~

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1 ~~d. Misrepresented any insurance policy or annuity~~
2 ~~contract, or used deception with regard to any policy or~~
3 ~~contract, done either in person or by any form of~~
4 ~~dissemination of information or advertising.~~

5 ~~e. Violated any provision of this code or any other~~
6 ~~law applicable to the business of insurance in the course of~~
7 ~~dealing under the license.~~

8 ~~f. Violated any lawful order or rule of the~~
9 ~~department.~~

10 ~~g. Failed or refused, upon demand, to pay over to any~~
11 ~~insurer he or she represents or has represented any money~~
12 ~~coming into his or her hands belonging to the insurer.~~

13 ~~h. Violated the provision against twisting as defined~~
14 ~~in s. 626.9541(1)(1).~~

15 ~~i. In the conduct of business, engaged in unfair~~
16 ~~methods of competition or in unfair or deceptive acts or~~
17 ~~practices, as prohibited under part IX of this chapter.~~

18 ~~j. Willfully overinsured any property insurance risk.~~

19 ~~k. Engaged in fraudulent or dishonest practices in the~~
20 ~~conduct of business arising out of activities related to~~
21 ~~insurance or the insurance agency.~~

22 ~~l. Demonstrated lack of fitness or trustworthiness to~~
23 ~~engage in the business of insurance arising out of activities~~
24 ~~related to insurance or the insurance agency.~~

25 ~~m. Authorized or knowingly allowed individuals to~~
26 ~~transact insurance who were not then licensed as required by~~
27 ~~this code.~~

28 ~~5. Knowingly employed any person who within the~~
29 ~~preceding 3 years has had his or her relationship with an~~
30 ~~agency terminated in accordance with paragraph (d).~~

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1 ~~6. Willfully circumvented the requirements or~~
2 ~~prohibitions of this code.~~

3 ~~(c) An agency required to be licensed in accordance~~
4 ~~with paragraph (b) shall remain so licensed for a period of 3~~
5 ~~years from the date of licensure unless the license is~~
6 ~~suspended or revoked in accordance with law. The department~~
7 ~~may revoke or suspend the agency authority to do business for~~
8 ~~activities occurring during the time the agency is licensed,~~
9 ~~regardless of whether the licensing period has terminated.~~

10 ~~(d) Notwithstanding the provisions of this subsection,~~
11 ~~no insurance agency shall be required to apply for an agency~~
12 ~~license if such agency can prove to the department that:~~

13 ~~1. The agency is severing its relationship with each~~
14 ~~majority owner, partner, manager, director, officer, or other~~
15 ~~person who managed or controlled such agency and who violated~~
16 ~~any of the provisions of paragraph (b).~~

17 ~~2. No such majority owner, partner, manager, director,~~
18 ~~officer, or other person who managed such agency is to be~~
19 ~~affiliated with such agency in any capacity for a period of 3~~
20 ~~years from the date of such severance.~~

21 Section 7. Section 626.171, Florida Statutes, is
22 amended to read:

23 626.171 Application for license as agent, customer
24 representative, adjuster, service representative, managing
25 general agent, or reinsurance intermediary.--

26 (1) The department or office shall not issue a license
27 as agent, customer representative, adjuster, ~~insurance agency,~~
28 service representative, managing general agent, or reinsurance
29 intermediary to any person except upon written application
30 therefor filed with it, qualification therefor, and payment in
31 advance of all applicable fees. Any such application shall be

1 made under the oath of the applicant and be signed by the
2 applicant. ~~Beginning November 1, 2002,~~The department shall
3 accept the uniform application for nonresident agent
4 licensing. The department may adopt revised versions of the
5 uniform application by rule.

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

7 (a) His or her full name, age, social security number,
8 residence address, business address, and mailing address.

9 (b) Proof that he or she has completed or is in the
10 process of completing any required prelicensing course.

11 (c) Whether he or she has been refused or has
12 voluntarily surrendered or has had suspended or revoked a
13 license to solicit insurance by the department or by the
14 supervising officials of any state.

15 (d) Whether any insurer or any managing general agent
16 claims the applicant is indebted under any agency contract or
17 otherwise and, if so, the name of the claimant, the nature of
18 the claim, and the applicant's defense thereto, if any.

19 (e) Proof that the applicant meets the requirements
20 for the type of license for which he or she is applying.

21 (f) Such other or additional information as the
22 department or office may deem proper to enable it to determine
23 the character, experience, ability, and other qualifications
24 of the applicant to hold himself or herself out to the public
25 as an insurance representative.

26 ~~(3) An application for an insurance agency license~~
27 ~~shall be signed by the owner or owners of the agency. If the~~
28 ~~agency is incorporated, the application shall be signed by the~~
29 ~~president and secretary of the corporation.~~

30 (3)(4) Each application shall be accompanied by
31 payment of any applicable fee.

1 ~~(4)(5)~~ An application for a license as an agent,
2 customer representative, adjuster, insurance agency, service
3 representative, managing general agent, or reinsurance
4 intermediary must be accompanied by a set of the individual
5 applicant's fingerprints, or, if the applicant is not an
6 individual, by a set of the fingerprints of the sole
7 proprietor, majority owner, partners, officers, and directors,
8 on a form adopted by rule of the department or commission and
9 accompanied by the fingerprint processing fee set forth in s.
10 624.501. Fingerprints shall be used to investigate the
11 applicant's qualifications pursuant to s. 626.201. The
12 fingerprints shall be taken by a law enforcement agency or
13 other department-approved entity.

14 ~~(5)(6)~~ The application for license filing fee
15 prescribed in s. 624.501 is not subject to refund.

16 ~~(6)(7)~~ Pursuant to the federal Personal Responsibility
17 and Work Opportunity Reconciliation Act of 1996, each party is
18 required to provide his or her social security number in
19 accordance with this section. Disclosure of social security
20 numbers obtained through this requirement shall be limited to
21 the purpose of administration of the Title IV-D program for
22 child support enforcement.

23 Section 8. Section 626.172, Florida Statutes, is
24 amended to read:

25 626.172 Application for insurance agency license.--

26 (1) The department may issue a license as an insurance
27 agency to any person only after such person files a written
28 application with the department and qualifies for such
29 license.~~If any majority owner, partner, officer, or director~~
30 ~~of an insurance agency:~~

31

1 ~~(a) Has been found guilty of, or has pleaded guilty or~~
2 ~~nolo contendere to, a felony relating to the business of~~
3 ~~insurance in this state or any other state or federal court,~~
4 ~~regardless of whether a judgment of conviction has been~~
5 ~~entered by the court having jurisdiction of such cases; or~~

6 ~~(b) Has been denied a license relating to the business~~
7 ~~of insurance, or has had his or her license to practice or~~
8 ~~conduct any regulated profession, business, or vocation~~
9 ~~relating to the business of insurance revoked or suspended, by~~
10 ~~this or any other state, any nation, any possession or~~
11 ~~district of the United States, or any court, or any lawful~~
12 ~~agency thereof;~~

13
14 ~~the insurance agency and any subsidiary or branch thereof~~
15 ~~shall obtain a license from the department pursuant to this~~
16 ~~section.~~

17 (2) An application for an insurance agency license
18 shall be signed by the owner or owners of the agency. If the
19 agency is incorporated, the application shall be signed by the
20 president and secretary of the corporation.The application
21 for an insurance agency license shall include:

22 (a) The name of each majority owner, partner, officer,
23 and director of the insurance agency.

24 (b) The residence address of each person required to
25 be listed in the application under paragraph (a).

26 (c) The name of the insurance agency and its principal
27 business address.

28 (d) The location of each agency office and the name
29 under which each agency office conducts or will conduct
30 business.

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1 (e) The name of each agent to be in full-time charge
2 of an agency office and specification of which office.

3 (f) Fingerprints for each of the following:

4 1. A sole proprietor;

5 2. Each partner;

6 3. Each owner of an unincorporated agency;

7 4. Each owner of a corporation whose shares are not
8 traded on a securities exchange;

9 5. Each owner of 10 percent or more of the voting
10 shares of a corporation which are traded on a securities
11 exchange who directs or participates in the operation of the
12 agency;

13 6. Each officer or director; and

14 7. Any other person who directs or participates in the
15 operation of the agency, whether through the ownership of
16 voting securities, by contract, or otherwise;

17
18 Fingerprints must be taken by a law enforcement agency or
19 other entity approved by the department and must be
20 accompanied by the fingerprint processing fee specified in s.
21 624.501. However, fingerprints do not have to be filed for any
22 individual who previously submitted fingerprints to the
23 department and obtained a license under this chapter if the
24 license is currently valid.~~The name of any person to whom~~
25 ~~subsection (1) applies.~~

26 (g) Such additional information as the department
27 requires by promulgated rule to ascertain the trustworthiness
28 and competence of persons required to be listed on the
29 application and to ascertain that such persons meet the
30 requirements of this code.

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1 Section 9. Section 626.191, Florida Statutes, is
2 amended to read:

3 626.191 Repeated applications.--The failure of an
4 applicant to secure a license upon an application shall not
5 preclude the applicant ~~him or her~~ from applying again as many
6 times as desired, but the department or office shall not give
7 consideration to or accept any further application by the same
8 individual for a similar license dated or filed within 30 days
9 subsequent to the date the department or office denied the
10 last application, except as provided in s. 626.281.

11 Section 10. Subsection (1) of section 626.201, Florida
12 Statutes, is amended to read:

13 626.201 Investigation.--

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

23 Section 11. Section 626.221, Florida Statutes, is
24 amended to read:

25 626.221 Examination requirement; exemptions.--

26 (1) The department or office shall not issue any
27 license as agent, customer representative, or adjuster to any
28 individual who has not qualified for, taken, and passed to the
29 satisfaction of the department or office a written examination
30 of the scope prescribed in s. 626.241.

31

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

3 (a) An applicant for renewal of appointment as an
4 agent, customer representative, or adjuster, unless the
5 department or office determines that an examination is
6 necessary to establish the competence or trustworthiness of
7 such applicant.

8 (b) An applicant for limited license as agent for
9 personal accident insurance, baggage and motor vehicle excess
10 liability insurance, credit life or disability insurance,
11 credit insurance, credit property insurance, in-transit and
12 storage personal property insurance, or communications
13 equipment property insurance or communication equipment inland
14 marine insurance.

15 (c) In the discretion of the department or office, an
16 applicant for reinstatement of license or appointment as an
17 agent, customer representative, or adjuster whose license has
18 been suspended within 2 years prior to the date of application
19 or written request for reinstatement.

20 (d) An applicant who, within 2 years prior to
21 application for license and appointment as an agent, customer
22 representative, or adjuster, was a full-time salaried employee
23 of the department or office and had continuously been such an
24 employee with responsible insurance duties for not less than 2
25 years and who had been a licensee within 2 years prior to
26 employment by the department or office with the same class of
27 license as that being applied for.

28 ~~(e) An individual who qualified as a managing general~~
29 ~~agent, service representative, customer representative, or~~
30 ~~all-lines adjuster by passing a general lines agent's~~
31 ~~examination and subsequently was licensed and appointed and~~

1 ~~has been actively engaged in all lines of property and~~
2 ~~casualty insurance may, upon filing an application for~~
3 ~~appointment, be licensed and appointed as a general lines~~
4 ~~agent for the same kinds of business without taking another~~
5 ~~examination if he or she holds any such currently effective~~
6 ~~license referred to in this paragraph or held the license~~
7 ~~within 48 months prior to the date of filing the application~~
8 ~~with the department.~~

9 ~~(e)(f)~~ A person who has been licensed and appointed as
10 a public adjuster, ~~or independent adjuster, or licensed and~~
11 ~~appointed either as an agent or company adjuster as to all~~
12 property, casualty, and surety insurances, may be licensed and
13 appointed as a company adjuster ~~as to any of such insurances,~~
14 ~~or as an independent, adjuster~~ or public adjuster, for these
15 types of insurance without additional written examination if
16 an application for licensure ~~appointment~~ is filed with the
17 office within 48 months following the date of cancellation or
18 expiration of the prior appointment.

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

26 ~~(g)(h)~~ An applicant for temporary license, except as
27 provided in this code.

28 ~~(h)(i)~~ An applicant for a life or health license who
29 has received the designation of chartered life underwriter
30 (CLU) from the American College of Life Underwriters and who
31 has been engaged in the insurance business within the past 4

1 years, except that such an individual may be examined on
2 pertinent provisions of this code.

3 (i)~~(j)~~ An applicant for license as a general lines
4 agent, customer representative, or adjuster who has received
5 the designation of chartered property and casualty underwriter
6 (CPCU) from the American Institute for Property and Liability
7 Underwriters and who has been engaged in the insurance
8 business within the past 4 years, except that such an
9 individual may be examined on pertinent provisions of this
10 code.

11 (j)~~(k)~~ An applicant for license as a customer
12 representative who has the designation of Accredited Advisor
13 in Insurance (AAI) from the Insurance Institute of America,
14 the designation of Certified Insurance Counselor (CIC) from
15 the Society of Certified Insurance Service Counselors, the
16 designation of Accredited Customer Service Representative
17 (ACSR) from the Independent Insurance Agents of America, the
18 designation of Certified Professional Service Representative
19 (CPSR) from the National Foundation for Certified Professional
20 Service Representatives, the designation of Certified
21 Insurance Service Representative (CISR) from the Society of
22 Certified Insurance Service Representatives. Also, an
23 applicant for license as a customer representative who has the
24 designation of Certified Customer Service Representative
25 (CCSR) from the Florida Association of Insurance Agents, or
26 the designation of Registered Customer Service Representative
27 (RCSR) from a regionally accredited postsecondary institution
28 in this state, or the designation of Professional Customer
29 Service Representative (PCSR) from the Professional Career
30 Institute, whose curriculum has been approved by the
31 department and whose curriculum includes comprehensive

1 analysis of basic property and casualty lines of insurance and
2 testing at least equal to that of standard department testing
3 for the customer representative license. The department shall
4 adopt rules establishing standards for the approval of
5 curriculum.

6 (k)~~(l)~~ An applicant for license as an adjuster who has
7 the designation of Accredited Claims Adjuster (ACA) from a
8 regionally accredited postsecondary institution in this state,
9 or the designation of Professional Claims Adjuster (PCA) from
10 the Professional Career Institute, whose curriculum has been
11 approved by the office and whose curriculum includes
12 comprehensive analysis of basic property and casualty lines of
13 insurance and testing at least equal to that of standard
14 office testing for the all-lines adjuster license. The
15 commission shall adopt rules establishing standards for the
16 approval of curriculum.

17 (l)~~(m)~~ An applicant qualifying for a license transfer
18 under s. 626.292, if the applicant:

- 19 1. Has successfully completed the prelicensing
20 examination requirements in the applicant's previous state
21 which are substantially equivalent to the examination
22 requirements in this state, as determined by the department;
- 23 2. Has received the designation of chartered property
24 and casualty underwriter (CPCU) from the American Institute
25 for Property and Liability Underwriters and has been engaged
26 in the insurance business within the past 4 years if applying
27 to transfer a general lines agent license; or
- 28 3. Has received the designation of chartered life
29 underwriter (CLU) from the American College of Life
30 Underwriters and has been engaged in the insurance business

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1 within the past 4 years, if applying to transfer a life or
2 health agent license.

3 (n) An applicant for a nonresident agent license, if
4 the applicant:

5 1. Has successfully completed prelicensing examination
6 requirements in the applicant's home state which are
7 substantially equivalent to the examination requirements in
8 this state, as determined by the department, as a requirement
9 for obtaining a resident license in his or her home state;

10 2. Held a general lines agent license, life agent
11 license, or health agent license prior to the time a written
12 examination was required;

13 3. Has received the designation of chartered property
14 and casualty underwriter (CPCU) from the American Institute
15 for Property and Liability Underwriters and has been engaged
16 in the insurance business within the past 4 years, if an
17 applicant for a nonresident license as a general lines agent;
18 or

19 4. Has received the designation of chartered life
20 underwriter (CLU) from the American College of Life
21 Underwriters and has been in the insurance business within the
22 past 4 years, if an applicant for a nonresident license as a
23 life agent or health agent.

24 (3) An individual who is already licensed as a
25 customer representative shall not be licensed as a general
26 lines agent without application and examination for such
27 license.

28 Section 12. Subsection (8) is added to section
29 626.241, Florida Statutes, to read:

30 626.241 Scope of examination.--

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1 (8) An examination for licensure as a personal lines
2 agent shall be limited in scope to the kinds of business
3 transacted under such license.

4 Section 13. Paragraphs (a), (b), (c), and (d) of
5 subsection (3) of section 626.2815, Florida Statutes, are
6 amended to read:

7 626.2815 Continuing education required; application;
8 exceptions; requirements; penalties.--

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

27 ~~(b) For compliance periods beginning on January 1,~~
28 ~~1998,~~A person who has been licensed for a period of 6 or more
29 years must complete 20 hours every 2 years in intermediate or
30 advanced-level courses prescribed by this section or in other
31 courses approved by the department.

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

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

23 Section 14. Subsection (1) of section 626.311, Florida
24 Statutes, is amended to read:

25 626.311 Scope of license.--

26 (1) Except as to personal lines agents and limited
27 licenses, ~~the applicant for license as~~ a general lines agent
28 or customer representative shall qualify for all property,
29 marine, casualty, and surety lines except bail bonds which
30 require a separate license under chapter 648. The license of
31 a general lines agent may also cover health insurance if

1 health insurance is included in the agent's appointment by an
2 insurer as to which the licensee is also appointed as agent
3 for property or casualty or surety insurance. The license of
4 a customer representative shall provide, in substance, that it
5 covers all of such classes of insurance that his or her
6 appointing general lines agent or agency is currently so
7 authorized to transact under the general lines agent's license
8 and appointments. No such license shall be issued limited to
9 particular classes of insurance except for bail bonds which
10 require a separate license under chapter 648 or for personal
11 lines agents. Personal lines agents are limited to transacting
12 business related to property and casualty insurance sold to
13 individuals and families for noncommercial purposes.

14 Section 15. Subsections (1) and (2) of section
15 626.342, Florida Statutes, are amended to read:

16 626.342 Furnishing supplies to unlicensed life,
17 health, or general lines agent prohibited; civil liability.--

18 (1) An insurer, a managing general agent, an insurance
19 agency, or an agent, directly or through any representative,
20 may not furnish to any agent any blank forms, applications,
21 stationery, or other supplies to be used in soliciting,
22 negotiating, or effecting contracts of insurance on its behalf
23 unless such blank forms, applications, stationery, or other
24 supplies relate to a class of business with respect to which
25 the agent is licensed and appointed, whether for that insurer
26 or another insurer.

27 (2) Any insurer, general agent, insurance agency, or
28 agent who furnishes any of the supplies specified in
29 subsection (1) to any agent or prospective agent not appointed
30 to represent the insurer and who accepts from or writes any
31 insurance business for such agent or agency is subject to

1 civil liability to any insured of such insurer to the same
2 extent and in the same manner as if such agent or prospective
3 agent had been appointed or authorized by the insurer or such
4 agent to act in its or his or her behalf. The provisions of
5 this subsection do not apply to insurance risk apportionment
6 plans under s. 627.351.

7 Section 16. Section 626.382, Florida Statutes, is
8 amended to read:

9 626.382 Continuation, expiration of license; insurance
10 agencies.--The license of any insurance agency shall be issued
11 for a period of 3 years, subject to the payment of the
12 original and renewal fees ~~prescribed in s. 624.501~~, and shall
13 continue in force until canceled, suspended, revoked, or
14 otherwise terminated. Renewal requests shall be made by
15 submitting to the department a form adopted by departmental
16 rule.

17 Section 17. Subsection (3) of section 626.451, Florida
18 Statutes, is amended to read:

19 626.451 Appointment of agent or other
20 representative.--

21 (3) By authorizing the effectuation of the appointment
22 of an agent, adjuster, service representative, customer
23 representative, or managing general agent the appointing
24 entity is thereby certifying to the department that it is
25 willing to be bound by the acts of the agent, adjuster,
26 service representative, customer representative, or managing
27 general agent, within the scope of the licensee's employment
28 or appointment.

29 Section 18. Section 626.536, Florida Statutes, is
30 amended to read:

31

1 626.536 Reporting of actions.--~~Each~~ An agent and
2 insurance agency shall submit to the department, within 30
3 days after the final disposition of any administrative action
4 taken against the agent by a governmental agency in this or
5 any other state or jurisdiction relating to the business of
6 insurance, the sale of securities, or activity involving
7 fraud, dishonesty, trustworthiness, or breach of a fiduciary
8 duty, a copy of the order, consent to order, or other relevant
9 legal documents. The department may adopt rules implementing
10 the provisions of this section.

11 Section 19. Subsections (1) and (3) of section
12 626.561, Florida Statutes, are amended to read:

13 626.561 Reporting and accounting for funds.--

14 (1) All premiums, return premiums, or other funds
15 belonging to insurers or others received by an insurance
16 agency, agent, customer representative, or adjuster in
17 transactions under the ~~his or her~~ license are trust funds
18 received by the licensee in a fiduciary capacity. An agent or
19 insurance agency shall keep the funds belonging to each
20 insurer for which an agent ~~he or she~~ is not appointed, other
21 than a surplus lines insurer, in a separate account so as to
22 allow the department or office to properly audit such funds.
23 The licensee in the applicable regular course of business
24 shall account for and pay the same to the insurer, insured, or
25 other person entitled thereto.

26 (3) Any insurance agency, agent, customer
27 representative, or adjuster who, not being lawfully entitled
28 thereto, either temporarily or permanently diverts or
29 misappropriates such funds or any portion thereof or deprives
30 the other person of a benefit therefrom commits the offense
31 specified below:

1 (a) If the funds diverted or misappropriated are \$300
2 or less, a misdemeanor of the first degree, punishable as
3 provided in s. 775.082 or s. 775.083.

4 (b) If the funds diverted or misappropriated are more
5 than \$300, but less than \$20,000, a felony of the third
6 degree, punishable as provided in s. 775.082, s. 775.083, or
7 s. 775.084.

8 (c) If the funds diverted or misappropriated are
9 \$20,000 or more, but less than \$100,000, a felony of the
10 second degree, punishable as provided in s. 775.082, s.
11 775.083, or s. 775.084.

12 (d) If the funds diverted or misappropriated are
13 \$100,000 or more, a felony of the first degree, punishable as
14 provided in s. 775.082, s. 775.083, or s. 775.084.

15 Section 20. Subsections (1) and (2) of section
16 626.572, Florida Statutes, are amended to read:

17 626.572 Rebating; when allowed.--

18 (1) No insurance agency or agent shall rebate any
19 portion of a ~~his or her~~ commission except as follows:

20 (a) The rebate shall be available to all insureds in
21 the same actuarial class.

22 (b) The rebate shall be in accordance with a rebating
23 schedule filed by the agent with the insurer issuing the
24 policy to which the rebate applies.

25 (c) The rebating schedule shall be uniformly applied
26 in that all insureds who purchase the same policy through the
27 agent for the same amount of insurance receive the same
28 percentage rebate.

29 (d) Rebates shall not be given to an insured with
30 respect to a policy purchased from an insurer that prohibits
31 its agents from rebating commissions.

1 (e) The rebate schedule is prominently displayed in
2 public view in the agent's place of doing business and a copy
3 is available to insureds on request at no charge.

4 (f) The age, sex, place of residence, race,
5 nationality, ethnic origin, marital status, or occupation of
6 the insured or location of the risk is not utilized in
7 determining the percentage of the rebate or whether a rebate
8 is available.

9 (2) The insurance agency or agent shall maintain a
10 copy of all rebate schedules for the most recent 5 years and
11 their effective dates.

12 Section 21. Subsection (1) of section 626.601, Florida
13 Statutes, is amended to read:

14 626.601 Improper conduct; inquiry; fingerprinting.--

15 (1) The department or office may, upon its own motion
16 or upon a written complaint signed by any interested person
17 and filed with the department or office, inquire into any
18 alleged improper conduct of any licensed insurance agency,
19 agent, adjuster, service representative, managing general
20 agent, customer representative, title insurance agent, title
21 insurance agency, continuing education course provider,
22 instructor, school official, or monitor group under this code.
23 The department or office may thereafter initiate an
24 investigation of any such licensee if it has reasonable cause
25 to believe that the licensee has violated any provision of the
26 insurance code. During the course of its investigation, the
27 department or office shall contact the licensee being
28 investigated unless it determines that contacting such person
29 could jeopardize the successful completion of the
30 investigation or cause injury to the public.

31

1 Section 22. Section 626.602, Florida Statutes, is
2 created to read:

3 626.602 Insurance agency names; disapproval.--The
4 department may disapprove the use of any true or fictitious
5 name, other than the bona fide natural name of an individual,
6 by any insurance agency on any of the following grounds:

7 (1) The name is an interference with or is too similar
8 to a name already filed and in use by another agency or
9 insurer;

10 (2) The use of the name may mislead the public in any
11 respect;

12 (3) The name states or implies that the agency is an
13 insurer, motor club, hospital service plan, state or federal
14 agency, charitable organization, or entity that primarily
15 provides advice and counsel rather than sells or solicits
16 insurance, or is entitled to engage in insurance activities
17 not permitted under licenses held or applied for; or

18 (4) The name states or implies that the agency is an
19 underwriter. This subsection does not prevent a natural person
20 who is a life agent from describing himself or herself as an
21 underwriter or from using the designation "chartered life
22 underwriter" or who is a general lines agent from using the
23 designation "chartered property and casualty underwriter," if
24 the person is entitled to use such terms to describe himself
25 or herself.

26 Section 23. Section 626.6115, Florida Statutes, is
27 amended to read:

28 626.6115 Grounds for compulsory refusal, suspension,
29 or revocation of insurance agency license.--The department
30 shall deny, suspend, revoke, or refuse to continue the license
31 of any insurance agency if it finds, as to any insurance

1 agency or as to any majority owner, partner, manager,
2 director, officer, or other person who manages or controls
3 such agency, that any ~~either one or both~~ of the following
4 applicable grounds exist:

5 (1) Lack by the agency of one or more of the
6 qualifications for the license as specified in this code;~~—~~

7 (2) Material misstatement, misrepresentation, or fraud
8 in obtaining the license or in attempting to obtain the
9 license; or

10 (3) Denial, suspension, or revocation of a license to
11 practice or conduct any regulated profession, business, or
12 vocation relating to the business of insurance by this state,
13 any other state, any nation, any possession or district of the
14 United States, any court, or any lawful agency thereof.

15 However, grounds for administrative action against a licensed
16 agency do not in and of themselves constitute grounds for
17 action against any other licensed agency, including an agency
18 that owns, is under common ownership with, or is owned by, in
19 whole or in part, the agency for which grounds for
20 administrative action exist.

21 Section 24. Subsection (6) is added to section
22 626.6215, Florida Statutes, to read:

23 626.6215 Grounds for discretionary refusal,
24 suspension, or revocation of insurance agency license.--The
25 department may, in its discretion, deny, suspend, revoke, or
26 refuse to continue the license of any insurance agency if it
27 finds, as to any insurance agency or as to any majority owner,
28 partner, manager, director, officer, or other person who
29 manages or controls such insurance agency, that any one or
30 more of the following applicable grounds exist:

31

1 (6) Failure to take corrective action or report a
2 violation to the department within 30 days after an individual
3 licensee's violation is known or should have been known by one
4 or more of the partners, officers, or managers acting on
5 behalf of the agency. However, grounds for administrative
6 action against a licensed agency do not in and of themselves
7 constitute grounds for action against any other licensed
8 agency, including an agency that owns, is under common
9 ownership with, or is owned by, in whole or in part, the
10 agency for which grounds for administrative action exist.

11 Section 25. Subsections (1) and (2) of section
12 626.641, Florida Statutes, are amended to read:

13 626.641 Duration of suspension or revocation.--

14 (1) The department or office shall, in its order
15 suspending a license or appointment or in its order suspending
16 the eligibility of a person to hold or apply for such license
17 or appointment, specify the period during which the suspension
18 is to be in effect; but such period shall not exceed 2 years.
19 The license, appointment, or eligibility shall remain
20 suspended during the period so specified, subject, however, to
21 any rescission or modification of the order by the department
22 or office, or modification or reversal thereof by the court,
23 prior to expiration of the suspension period. A license,
24 appointment, or eligibility which has been suspended shall not
25 be reinstated except upon request for such reinstatement; but
26 the department or office shall not grant such reinstatement if
27 it finds that the circumstance or circumstances for which the
28 license, appointment, or eligibility was suspended still exist
29 or are likely to recur or if grounds exist to deny the license
30 or appointment pursuant to s. 626.611, s. 626.6115, s.
31 626.621, or s. 626.6215.

1 (2) No person or appointee under any license or
2 appointment revoked by the department or office, nor any
3 person whose eligibility to hold same has been revoked by the
4 department or office, shall have the right to apply for
5 another license or appointment under this code within 2 years
6 from the effective date of such revocation or, if judicial
7 review of such revocation is sought, within 2 years from the
8 date of final court order or decree affirming the revocation.
9 An applicant for another license or appointment pursuant to
10 this subsection must qualify for licensure in the same manner
11 as a first-time applicant and is subject to denial of the
12 application pursuant to s. 626.611, s. 626.6115, s. 626.621,
13 or s. 626.6215.The department or office shall not, however,
14 grant a new license or appointment or reinstate eligibility to
15 hold such license or appointment if it finds that the
16 circumstance or circumstances for which the eligibility was
17 revoked or for which the previous license or appointment was
18 revoked still exist or are likely to recur; if an individual's
19 license as agent or customer representative or eligibility to
20 hold same has been revoked upon the ground specified in s.
21 626.611(12), the department or office shall refuse to grant or
22 issue any new license or appointment so applied for.

23 Section 26. Section 626.727, Florida Statutes, is
24 amended to read:

25 626.727 Scope of this part.--This part applies only to
26 general lines agents, customer representatives, service
27 representatives, and managing general agents, all as defined
28 in s. 626.015. Provisions of this part which apply to general
29 lines agents and applicants also apply to personal lines
30 agents and applicants, except where otherwise provided.

31

1 Section 27. Subsection (1) of section 626.732, Florida
2 Statutes, is amended to read:

3 626.732 Requirement as to knowledge, experience, or
4 instruction.--

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

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

21 (b) Completed a correspondence course in insurance, 3
22 hours of which shall be on the subject matter of ethics,
23 satisfactory to the department and regularly offered by
24 accredited institutions of higher learning in this state and,
25 except if he or she is applying for a limited license under s.
26 626.321, for licensure as a general lines agent, has had at
27 least 6 months of responsible insurance duties as a
28 substantially full-time bona fide employee in all lines of
29 property and casualty insurance set forth in the definition of
30 general lines agent under s. 626.015 or, for licensure as a
31 personal lines agent, has completed at least 3 months in

1 responsible insurance duties as a substantially full-time
2 employee in property and casualty insurance sold to
3 individuals and families for noncommercial purposes;

4 (c) For licensure as a general lines agent, completed
5 at least 1 year in responsible insurance duties as a
6 substantially full-time bona fide employee in all lines of
7 property and casualty insurance, exclusive of aviation and wet
8 marine and transportation insurances but not exclusive of
9 boats of less than 36 feet in length or aircraft not held out
10 for hire, as set forth in the definition of a general lines
11 agent under s. 626.015, without the education requirement
12 mentioned in paragraph (a) or paragraph (b) or, for licensure
13 as a personal lines agent, has completed at least 6 months in
14 responsible insurance duties as a substantially full-time
15 employee in property and casualty insurance sold to
16 individuals and families for noncommercial purposes without
17 the education requirement in paragraph (a) or paragraph (b);

18 or

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

26 2. For licensure as a personal lines agent, completed
27 at least 6 months of responsible duties as a licensed and
28 appointed customer representative or limited customer
29 representative in property and casualty insurance sold to
30 individuals and families for noncommercial purposes and 20
31 hours of classroom courses approved by the department which

1 are related to property and casualty insurance sold to
2 individuals and families for noncommercial purposes; or
3 (e)1.2. For licensure as a general lines agent,
4 completed at least 1 year of responsible insurance duties as a
5 licensed and appointed service representative in either
6 commercial or personal lines of property and casualty
7 insurance and 80 hours of classroom courses approved by the
8 department covering the areas of property, casualty, surety,
9 health, and marine insurance; or-

10 2. For licensure as a personal lines agent, completed
11 at least 6 months of responsible insurance duties as a
12 licensed and appointed service representative in property and
13 casualty insurance sold to individuals and families for
14 noncommercial purposes and 40 hours of classroom courses
15 approved by the department related to property and casualty
16 insurance sold to individuals and families for noncommercial
17 purposes.

18 Section 28. Subsection (1) of section 626.7351,
19 Florida Statutes, is amended to read:

20 626.7351 Qualifications for customer representative's
21 license.--The department shall not grant or issue a license as
22 customer representative to any individual found by it to be
23 untrustworthy or incompetent, or who does not meet each of the
24 following qualifications:

25 (1) The applicant is a natural person 18 years of age
26 or older.

27 Section 29. Paragraph (c) of subsection (2) of section
28 626.292, Florida Statutes, is amended to read:

29 626.292 Transfer of license from another state.--

30 (2) To qualify for a license transfer, an individual
31 applicant must meet the following requirements:

1 (c) The individual shall submit a completed
2 application for this state which is received by the department
3 within 90 days after the date the individual became a resident
4 of this state, along with payment of the applicable fees set
5 forth in s. 624.501 and submission of the following documents:

6 1. A certification issued by the appropriate official
7 of the applicant's home state identifying the type of license
8 and lines of authority under the license and stating that, at
9 the time the license from the home state was canceled, the
10 applicant was in good standing in that state or that the
11 state's Producer Database records, maintained by the National
12 Association of Insurance Commissioners, its affiliates, or
13 subsidiaries, indicate that the agent is or was licensed in
14 good standing for the line of authority requested.

15 2. A set of the individual applicant's fingerprints in
16 accordance with s. 626.171~~(4)~~(5).

17 Section 30. Paragraph (d) of subsection (1) and
18 paragraph (a) of subsection (2) of section 626.321, Florida
19 Statutes, are amended to read:

20 626.321 Limited licenses.--

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

26 (d) Baggage and motor vehicle excess liability
27 insurance.--

28 1. License covering only insurance of personal effects
29 except as provided in subparagraph 2. The license may be
30 issued only:

31

1 a. To a full-time salaried employee of a common
2 carrier or a full-time salaried employee or owner of a
3 transportation ticket agency, which person is engaged in the
4 sale or handling of transportation of baggage and personal
5 effects of travelers, and may authorize the sale of such
6 insurance only in connection with such transportation; or

7 b. To the full-time salaried employee of a licensed
8 general lines agent or to, ~~a full-time salaried employee of a~~
9 ~~business which offers motor vehicles for rent or lease, or to~~
10 ~~a business office of a business entity that~~ which offers motor
11 vehicles for rent or lease if insurance sales activities
12 authorized by the license are in connection with and
13 incidental to the rental of a motor vehicle limited to
14 full-time salaried employees. An entity applying for a license
15 under this subsection:

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

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

25 (III) Is required to pay the applicable fees for a
26 license as prescribed in s. 624.501, be appointed under s.
27 626.112, and pay the prescribed appointment fee under s.
28 624.501. A licensed and appointed entity shall be directly
29 responsible and accountable for all acts of the licensee's
30 employees.

31

1 The purchaser of baggage insurance shall be provided written
2 information disclosing that the insured's homeowner's policy
3 may provide coverage for loss of personal effects and that the
4 purchase of such insurance is not required in connection with
5 the purchase of tickets or in connection with the lease or
6 rental of a motor vehicle.

7 2. A business entity that ~~office licensed pursuant to~~
8 ~~subparagraph 1., or a person licensed pursuant to subparagraph~~
9 ~~1. who is a full-time salaried employee of a business which~~
10 offers motor vehicles for rent or lease, may include lessees
11 under a master contract providing coverage to the lessor or
12 may transact excess motor vehicle liability insurance
13 providing coverage in excess of the standard liability limits
14 provided by the lessor in its lease to a person renting or
15 leasing a motor vehicle from the licensee's employer for
16 liability arising in connection with the negligent operation
17 of the leased or rented motor vehicle, provided that the lease
18 or rental agreement is for not more than 30 days; that the
19 lessee is not provided coverage for more than 30 consecutive
20 days per lease period, and, if the lease is extended beyond 30
21 days, the coverage may be extended one time only for a period
22 not to exceed an additional 30 days; that the lessee is given
23 written notice that his or her personal insurance policy
24 providing coverage on an owned motor vehicle may provide
25 additional excess coverage; and that the purchase of the
26 insurance is not required in connection with the lease or
27 rental of a motor vehicle. The excess liability insurance may
28 be provided to the lessee as an additional insured on a policy
29 issued to the licensee's employer.

30 3. A business entity that ~~office licensed pursuant to~~
31 ~~subparagraph 1., or a person licensed pursuant to subparagraph~~

1 ~~1. who is a full-time salaried employee of a business which~~
2 offers motor vehicles for rent or lease, may, as an agent of
3 an insurer, transact insurance that provides coverage for the
4 liability of the lessee to the lessor for damage to the leased
5 or rented motor vehicle if:

6 a. The lease or rental agreement is for not more than
7 30 days; or the lessee is not provided coverage for more than
8 30 consecutive days per lease period, but, if the lease is
9 extended beyond 30 days, the coverage may be extended one time
10 only for a period not to exceed an additional 30 days;

11 b. The lessee is given written notice that his or her
12 personal insurance policy that provides coverage on an owned
13 motor vehicle may provide such coverage with or without a
14 deductible; and

15 c. The purchase of the insurance is not required in
16 connection with the lease or rental of a motor vehicle.

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

19 (a) Submit only one application for a license under s.
20 626.171. The requirements of s. 626.171(4)(5) shall only apply
21 to the officers and directors of the entity submitting the
22 application.

23 Section 31. This act does not require the Department
24 of Financial Services to begin issuing licenses to personal
25 lines agents on the effective date of this act if the
26 department has not completed the process of incorporating
27 necessary procedures for issuing personal lines licenses into
28 its licensing systems.

29 Section 32. Section 626.592, Florida Statutes, is
30 repealed.

31

1 Section 33. This act shall take effect October 1,
2 2004.

3
4 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
5 COMMITTEE SUBSTITUTE FOR
6 Senate Bill 2800

7 Provides a delayed effective date to October 1, 2005, for
8 insurance agencies to obtain a license and imposes a fine of
9 up to \$10,000 on agencies that fail to timely apply for
10 licensure.

11 Eliminates the requirement that continuing education classes
12 for insurance agents include instruction on the subject of
13 unauthorized entities that sell insurance.

14 Removes language that would have limited the number of
15 different agency names that could be used by agencies under
16 the same ownership.

17 Clarifies that grounds for disciplinary action against one
18 licensed agency do not necessarily constitute grounds for
19 actions against related agencies.

20 Provides that the Department of Financial Services cannot be
21 required to issue personal lines insurance agent licenses on
22 the effective date of this law if its licensing systems have
23 not been changed to accommodate the new license.

24 Clarifies that a business entity offering baggage and motor
25 vehicle excess liability insurance that offers motor vehicles
26 for rent or lease may use part-time employees to offer such
27 insurance.