

By the Committees on Governmental Oversight and Productivity;
Banking and Insurance; and Senator Argenziano

302-2575A-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 Department of Financial
5 Services and the Office of Insurance Regulation
6 to scan or photocopy records, accounts,
7 documents, files, or other materials under
8 specified circumstances; amending s. 624.501,
9 F.S.; clarifying a license fee; amending s.
10 626.015, F.S.; defining the term "personal
11 lines agent"; amending s. 626.016, F.S.;
12 subjecting insurance agencies to regulation by
13 the Chief Financial Officer; amending s.
14 626.022, F.S.; providing for application;
15 amending s. 626.112, F.S.; delaying the
16 effective date by which agencies must obtain a
17 license; providing that an agency may file for
18 registration in lieu of licensure, under
19 specified conditions; imposing a fine on any
20 agency that fails to timely apply for licensure
21 or registration; amending s. 626.171, F.S.;
22 specifying licensure and registration
23 application requirements for insurance entities
24 other than insurance agencies; deleting a
25 provision applying to insurance agencies;
26 amending s. 626.172, F.S.; revising insurance
27 agency licensure application requirements;
28 amending s. 626.191, F.S.; clarifying repeated
29 application provisions; amending s. 626.201,
30 F.S.; clarifying a department-authorized
31 interrogatories provision; amending s. 626.221,

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

1 conduct; creating s. 626.602, F.S.; authorizing
2 the Department of Financial Services to
3 disapprove the use of certain names under
4 certain circumstances; amending s. 626.6115,
5 F.S.; providing an additional ground for the
6 department to take compulsory adverse insurance
7 agency license actions; providing that grounds
8 for adverse action against a licensed agency do
9 not necessarily constitute grounds for adverse
10 action against another licensed agency, even if
11 there is common ownership; amending s.
12 626.6215, F.S.; providing an additional ground
13 for the department to take discretionary
14 adverse insurance agency license actions;
15 providing that grounds for adverse action
16 against a licensed agency do not necessarily
17 constitute grounds for adverse action against
18 another licensed agency, even if there is
19 common ownership; amending s. 626.641, F.S.;
20 providing additional criteria for duration of
21 license suspensions or revocations; amending s.
22 626.727, F.S.; providing that certain
23 provisions apply to personal lines agents;
24 amending s. 626.732, F.S.; revising certain
25 education and experience requirements for
26 personal lines agents; amending s. 626.7351,
27 F.S.; providing an age requirement for customer
28 representatives; amending ss. 626.292 and
29 626.321, F.S.; correcting cross-references;
30 revising criteria for issuing an agent's
31 license for limited classes of business

1 relating to insurance sales incidental to the
2 rental or lease of motor vehicles; providing
3 additional license application requirements;
4 amending s. 627.351, F.S.; providing that
5 specified employees of the Citizens Property
6 Insurance Corporation need not be licensed as
7 agents; providing that this act does not
8 require the department to begin issuing certain
9 licenses by the effective date of the act,
10 under specified conditions; repealing s.
11 626.592, F.S., relating to primary agents;
12 amending s. 626.747, F.S.; requiring each
13 branch agency to have a licensed general lines
14 agent or life or health agents; providing an
15 effective date.

16
17 Be It Enacted by the Legislature of the State of Florida:

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19 Section 1. Subsection (2) of section 624.318, Florida
20 Statutes, is amended to read:

21 624.318 Conduct of examination or investigation;
22 access to records; correction of accounts; appraisals.--

23 (2) Every person being examined or investigated, and
24 its officers, attorneys, employees, agents, and
25 representatives, shall make freely available to the department
26 or office or its examiners or investigators the accounts,
27 records, documents, files, information, assets, and matters in
28 their possession or control relating to the subject of the
29 examination or investigation. An agent who provides other
30 products or services or maintains customer information not
31 related to insurance must maintain records relating to

1 insurance products and transactions separately if necessary to
2 give the department or office access to such records. If
3 records relating to the insurance transactions are maintained
4 by an agent on premises owned or operated by a third party,
5 the agent and the third party must provide access to the
6 records by the department or office. If any person refuses to
7 provide copies of records, accounts, documents, files, or
8 information requested by the department or office or its
9 examiners or investigators under this subsection, the
10 department or office, or its examiners or investigators, may
11 photocopy or scan the materials.

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

14 624.501 Filing, license, appointment, and
15 miscellaneous fees.--The department, commission, or office, as
16 appropriate, shall collect in advance, and persons so served
17 shall pay to it in advance, fees, licenses, and miscellaneous
18 charges as follows:

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

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

25 626.015 Definitions.--As used in this part:

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

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

1 626.016 Powers and duties of department, commission,
2 and office.--

3 (1) The powers and duties of the Chief Financial
4 Officer and the department specified in this part apply only
5 with respect to insurance agents, insurance agencies, managing
6 general agents, reinsurance intermediaries, viatical
7 settlement brokers, customer representatives, service
8 representatives, and agencies.

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

11 626.022 Scope of part.--

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

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

17 626.112 License and appointment required; agents,
18 customer representatives, adjusters, insurance agencies,
19 service representatives, managing general agents.--

20 (7)(a) Effective October 1, 2005,no individual, firm,
21 partnership, corporation, association, or any other entity
22 shall act in its own name or under a trade name, directly or
23 indirectly, as an insurance agency, ~~when required to be~~
24 ~~licensed by this subsection~~,unless it complies with s.
25 626.172 with respect to possessing an insurance agency license
26 for each place of business at which it engages in any activity
27 which may be performed only by a licensed insurance agent.
28 Each agency engaged in business in this state before January
29 1, 2001, which is wholly owned by insurance agents currently
30 licensed and appointed under this chapter, or an agency whose
31 primary function is offering insurance as a service or member

1 benefit to members of a nonprofit corporation, may file an
2 application for registration in lieu of licensure in
3 accordance with s. 626.172(3). An agency engaged in business
4 before October 1, 2005, shall file an application for
5 licensure or registration on or before October 1, 2005.

6 1. If an agency is required to be licensed but fails
7 to file an application for licensure in accordance with this
8 section, the department shall impose on the agency an
9 administrative penalty in an amount of up to \$10,000.

10 2. If an agency is eligible for registration but fails
11 to file an application for registration or an application for
12 licensure in accordance with this section, the department
13 shall impose on the agency an administrative penalty in an
14 amount of up to \$5,000.

15 (b) A registered ~~An~~ insurance agency shall, as a
16 condition precedent to continuing business, obtain an
17 insurance agency license if the department finds that, with
18 respect to any majority owner, partner, manager, director,
19 officer, or other person who manages or controls the agency,
20 any person has, ~~subsequent to the effective date of this act:~~

21 1. Been found guilty of, or has pleaded guilty or nolo
22 contendere to, a felony in this state or any other state
23 relating to the business of insurance or to an insurance
24 agency, without regard to whether a judgment of conviction has
25 been entered by the court having jurisdiction of the cases.

26 2. Employed any individual in a managerial capacity or
27 in a capacity dealing with the public who is under an order of
28 revocation or suspension issued by the department. An
29 insurance agency may request, on forms prescribed by the
30 department, verification of any person's license status. If a
31 request is mailed within 5 working days after an employee is

1 hired, and the employee's license is currently suspended or
2 revoked, the agency shall not be required to obtain a license,
3 if the unlicensed person's employment is immediately
4 terminated.

5 3. Operated the agency or permitted the agency to be
6 operated in violation of s. 626.747.

7 4. With such frequency as to have made the operation
8 of the agency hazardous to the insurance-buying public or
9 other persons:

10 a. Solicited or handled controlled business. This
11 subparagraph shall not prohibit the licensing of any lending
12 or financing institution or creditor, with respect to
13 insurance only, under credit life or disability insurance
14 policies of borrowers from the institutions, which policies
15 are subject to part IX of chapter 627.

16 b. Misappropriated, converted, or unlawfully withheld
17 moneys belonging to insurers, insureds, beneficiaries, or
18 others and received in the conduct of business under the
19 license.

20 c. Unlawfully rebated, attempted to unlawfully rebate,
21 or unlawfully divided or offered to divide commissions with
22 another.

23 d. Misrepresented any insurance policy or annuity
24 contract, or used deception with regard to any policy or
25 contract, done either in person or by any form of
26 dissemination of information or advertising.

27 e. Violated any provision of this code or any other
28 law applicable to the business of insurance in the course of
29 dealing under the license.

30 f. Violated any lawful order or rule of the
31 department.

1 g. Failed or refused, upon demand, to pay over to any
2 insurer he or she represents or has represented any money
3 coming into his or her hands belonging to the insurer.

4 h. Violated the provision against twisting as defined
5 in s. 626.9541(1)(1).

6 i. In the conduct of business, engaged in unfair
7 methods of competition or in unfair or deceptive acts or
8 practices, as prohibited under part IX of this chapter.

9 j. Willfully overinsured any property insurance risk.

10 k. Engaged in fraudulent or dishonest practices in the
11 conduct of business arising out of activities related to
12 insurance or the insurance agency.

13 l. Demonstrated lack of fitness or trustworthiness to
14 engage in the business of insurance arising out of activities
15 related to insurance or the insurance agency.

16 m. Authorized or knowingly allowed individuals to
17 transact insurance who were not then licensed as required by
18 this code.

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

22 6. Willfully circumvented the requirements or
23 prohibitions of this code.

24 (c) An agency required to be licensed in accordance
25 with paragraph (b) shall remain so licensed for a period of 3
26 years from the date of licensure unless the license is
27 suspended or revoked in accordance with law. The department
28 may revoke or suspend the agency authority to do business for
29 activities occurring during the time the agency is licensed,
30 regardless of whether the licensing period has terminated.

31

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

4 1. The agency is severing its relationship with each
5 majority owner, partner, manager, director, officer, or other
6 person who managed or controlled such agency and who violated
7 any of the provisions of paragraph (b).

8 2. No such majority owner, partner, manager, director,
9 officer, or other person who managed such agency is to be
10 affiliated with such agency in any capacity for a period of 3
11 years from the date of such severance.

12 Section 7. Section 626.171, Florida Statutes, is
13 amended to read:

14 626.171 Application for license as agent, customer
15 representative, adjuster, service representative, managing
16 general agent, or reinsurance intermediary.--

17 (1) The department or office shall not issue a license
18 as agent, customer representative, adjuster, ~~insurance agency,~~
19 service representative, managing general agent, or reinsurance
20 intermediary to any person except upon written application
21 therefor filed with it, qualification therefor, and payment in
22 advance of all applicable fees. Any such application shall be
23 made under the oath of the applicant and be signed by the
24 applicant. ~~Beginning November 1, 2002,~~The department shall
25 accept the uniform application for nonresident agent
26 licensing. The department may adopt revised versions of the
27 uniform application by rule.

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

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

31

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

3 (c) Whether he or she has been refused or has
4 voluntarily surrendered or has had suspended or revoked a
5 license to solicit insurance by the department or by the
6 supervising officials of any state.

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

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

13 (f) Such other or additional information as the
14 department or office may deem proper to enable it to determine
15 the character, experience, ability, and other qualifications
16 of the applicant to hold himself or herself out to the public
17 as an insurance representative.

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

22 (3)~~(4)~~ Each application shall be accompanied by
23 payment of any applicable fee.

24 (4)~~(5)~~ An application for a license as an agent,
25 customer representative, adjuster, ~~insurance agency~~, service
26 representative, managing general agent, or reinsurance
27 intermediary must be accompanied by a set of the individual
28 applicant's fingerprints, or, if the applicant is not an
29 individual, by a set of the fingerprints of the sole
30 proprietor, majority owner, partners, officers, and directors,
31 on a form adopted by rule of the department or commission and

1 accompanied by the fingerprint processing fee set forth in s.
2 624.501. Fingerprints shall be used to investigate the
3 applicant's qualifications pursuant to s. 626.201. The
4 fingerprints shall be taken by a law enforcement agency or
5 other department-approved entity.

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

8 (6)~~(7)~~ Pursuant to the federal Personal Responsibility
9 and Work Opportunity Reconciliation Act of 1996, each party is
10 required to provide his or her social security number in
11 accordance with this section. Disclosure of social security
12 numbers obtained through this requirement shall be limited to
13 the purpose of administration of the Title IV-D program for
14 child support enforcement.

15 Section 8. Section 626.172, Florida Statutes, is
16 amended to read:

17 626.172 Application for insurance agency license.--

18 (1) The department may issue a license as an insurance
19 agency to any person only after such person files a written
20 application with the department and qualifies for such
21 license.~~If any majority owner, partner, officer, or director~~
22 ~~of an insurance agency:~~

23 ~~(a) Has been found guilty of, or has pleaded guilty or~~
24 ~~nolo contendere to, a felony relating to the business of~~
25 ~~insurance in this state or any other state or federal court,~~
26 ~~regardless of whether a judgment of conviction has been~~
27 ~~entered by the court having jurisdiction of such cases; or~~

28 ~~(b) Has been denied a license relating to the business~~
29 ~~of insurance, or has had his or her license to practice or~~
30 ~~conduct any regulated profession, business, or vocation~~
31 ~~relating to the business of insurance revoked or suspended, by~~

1 ~~this or any other state, any nation, any possession or~~
2 ~~district of the United States, or any court, or any lawful~~
3 ~~agency thereof;~~

4
5 ~~the insurance agency and any subsidiary or branch thereof~~
6 ~~shall obtain a license from the department pursuant to this~~
7 ~~section.~~

8 (2) An application for an insurance agency license
9 shall be signed by the owner or owners of the agency. If the
10 agency is incorporated, the application shall be signed by the
11 president and secretary of the corporation.The application
12 for an insurance agency license shall include:

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

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

17 (c) The name of the insurance agency and its principal
18 business address.

19 (d) The location of each agency office and the name
20 under which each agency office conducts or will conduct
21 business.

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

24 (f) Fingerprints for each of the following:

25 1. A sole proprietor;

26 2. Each partner;

27 3. Each owner of an unincorporated agency;

28 4. Each owner who directs or participates in the
29 management or control of an incorporated agency whose shares
30 are not traded on a securities exchange;

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1 5. Each owner of 10 percent or more of the voting
2 shares of a corporation which are traded on a securities
3 exchange who directs or participates in the management or
4 control of an incorporated agency;

5 6. The president, senior vice-presidents, treasurer,
6 secretary, and directors of the agency; and

7 7. Any other person who directs or participates in the
8 management or control of the agency, whether through the
9 ownership of voting securities, by contract, or otherwise.

10
11 Fingerprints must be taken by a law enforcement agency or
12 other entity approved by the department and must be
13 accompanied by the fingerprint processing fee specified in s.
14 624.501. However, fingerprints need not be filed for any
15 individual who is currently licensed and appointed under this
16 chapter.~~The name of any person to whom subsection (1)~~
17 ~~applies.~~

18 (g) Such additional information as the department
19 requires by promulgated rule to ascertain the trustworthiness
20 and competence of persons required to be listed on the
21 application and to ascertain that such persons meet the
22 requirements of this code. However, the department may not
23 require that credit or character reports be submitted for
24 persons required to be listed on the application.

25 (h) Beginning July 1, 2004, the department shall
26 accept the uniform application for nonresident agency
27 licensure. The department may adopt by rule revised versions
28 of the uniform application.

29 (3) The department shall issue a registration as an
30 insurance agency to any agency that files a written
31 application with the department and qualifies for

1 registration. The application for registration shall require
2 the agency to provide the same information required for an
3 agency licensed under subsection (2), the agent identification
4 number for each owner, proof that the agency was engaged in
5 transacting insurance business before January 1, 2001, and any
6 additional information the department determines necessary to
7 demonstrate that each owner of the agency is currently
8 licensed and appointed as an agent in this state. The
9 application must be signed by the owner or owners of the
10 agency. If the agency is incorporated, the application must be
11 signed by the president and the secretary of the corporation.
12 An agent who owns the agency need not file fingerprints with
13 the department if the agent obtained a license under this
14 chapter, and the license is currently valid.

15 (a) If an application for registration is denied, the
16 agency must file an application for licensure no later than 30
17 days after the date of the denial of registration.

18 (b) A registered insurance agency must file an
19 application for licensure no later than 30 days after the date
20 that any person who is not a licensed and appointed agent in
21 this state acquires any ownership interest in the agency. If
22 an agency fails to file an application for licensure in
23 compliance with this paragraph, the department shall impose an
24 administrative penalty in an amount of up to \$5,000 on the
25 agency.

26 (c) Sections 626.6115 and 626.6215 do not apply to
27 agencies registered under this subsection.

28 (4) The department shall issue a license or
29 registration to each agency upon approval of the application
30 and each agency shall display the license or registration
31

1 prominently in a manner that makes it clearly visible to any
2 customer or potential customer who enters the agency.

3 Section 9. Section 626.191, Florida Statutes, is
4 amended to read:

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

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

15 626.201 Investigation.--

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

25 Section 11. Section 626.221, Florida Statutes, is
26 amended to read:

27 626.221 Examination requirement; exemptions.--

28 (1) The department or office shall not issue any
29 license as agent, customer representative, or adjuster to any
30 individual who has not qualified for, taken, and passed to the
31

1 satisfaction of the department or office a written examination
2 of the scope prescribed in s. 626.241.

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

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

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

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

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

30 ~~(e) An individual who qualified as a managing general~~
31 ~~agent, service representative, customer representative, or~~

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

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

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

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

30 (h)~~(i)~~ An applicant for a life or health license who
31 has received the designation of chartered life underwriter

1 (CLU) from the American College of Life Underwriters and who
2 has been engaged in the insurance business within the past 4
3 years, except that such an individual may be examined on
4 pertinent provisions of this code.

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

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

1 Institute, whose curriculum has been approved by the
2 department and whose curriculum includes comprehensive
3 analysis of basic property and casualty lines of insurance and
4 testing at least equal to that of standard department testing
5 for the customer representative license. The department shall
6 adopt rules establishing standards for the approval of
7 curriculum.

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

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

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

1 Underwriters and has been engaged in the insurance business
2 within the past 4 years, if applying to transfer a life or
3 health agent license.

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

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

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

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

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

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

29 Section 12. Subsection (8) is added to section
30 626.241, Florida Statutes, to read:

31 626.241 Scope of examination.--

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. The examination shall consist
4 of not fewer than 100 questions.

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

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

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

28 ~~(b) For compliance periods beginning on January 1,~~
29 ~~1998,~~A person who has been licensed for a period of 6 or more
30 years must complete 20 hours every 2 years in intermediate or
31

1 advanced-level courses prescribed by this section or in other
2 courses approved by the department.

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

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

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

27 626.311 Scope of license.--

28 (1) Except as to personal lines agents and limited
29 licenses, ~~the applicant for license as a general lines agent~~
30 or customer representative shall qualify for all property,
31 marine, casualty, and surety lines except bail bonds which

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

16 Section 15. Subsections (1) and (2) of section
17 626.342, Florida Statutes, are amended to read:

18 626.342 Furnishing supplies to unlicensed life,
19 health, or general lines agent prohibited; civil liability.--

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

29 (2) Any insurer, general agent, insurance agency, or
30 agent who furnishes any of the supplies specified in
31 subsection (1) to any agent or prospective agent not appointed

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

9 Section 16. Section 626.382, Florida Statutes, is
10 amended to read:

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

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

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

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

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

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. To qualify for licensure as a personal lines
21 agent, the applicant must complete a total of 52 hours of
22 classroom courses in insurance;

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

1 general lines agent under s. 626.015 or, for licensure as a
2 personal lines agent, has completed at least 3 months in
3 responsible insurance duties as a substantially full-time
4 employee in property and casualty insurance sold to
5 individuals and families for noncommercial purposes;

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

20 or

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

28 2. For licensure as a personal lines agent, completed
29 at least 6 months of responsible duties as a licensed and
30 appointed customer representative or limited customer
31 representative in property and casualty insurance sold to

1 individuals and families for noncommercial purposes and 20
2 hours of classroom courses approved by the department which
3 are related to property and casualty insurance sold to
4 individuals and families for noncommercial purposes; or
5 (e)1.2. For licensure as a general lines agent,
6 completed at least 1 year of responsible insurance duties as a
7 licensed and appointed service representative in either
8 commercial or personal lines of property and casualty
9 insurance and 80 hours of classroom courses approved by the
10 department covering the areas of property, casualty, surety,
11 health, and marine insurance; or-

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

20 (f) For licensure as a personal lines agent, completed
21 at least 3 years of responsible duties as a licensed and
22 appointed customer representative in property and casualty
23 insurance sold to individuals and families for noncommercial
24 purposes.

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

27 626.7351 Qualifications for customer representative's
28 license.--The department shall not grant or issue a license as
29 customer representative to any individual found by it to be
30 untrustworthy or incompetent, or who does not meet each of the
31 following qualifications:

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

3 Section 29. Paragraph (c) of subsection (2) of section
4 626.292, Florida Statutes, is amended to read:

5 626.292 Transfer of license from another state.--

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

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

13 1. A certification issued by the appropriate official
14 of the applicant's home state identifying the type of license
15 and lines of authority under the license and stating that, at
16 the time the license from the home state was canceled, the
17 applicant was in good standing in that state or that the
18 state's Producer Database records, maintained by the National
19 Association of Insurance Commissioners, its affiliates, or
20 subsidiaries, indicate that the agent is or was licensed in
21 good standing for the line of authority requested.

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

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

27 626.321 Limited licenses.--

28 (1) The department shall issue to a qualified
29 individual, or a qualified individual or entity under
30 paragraphs (c), (d), (e), and (i), a license as agent

31

1 authorized to transact a limited class of business in any of
2 the following categories:

3 (d) Baggage and motor vehicle excess liability
4 insurance.--

5 1. License covering only insurance of personal effects
6 except as provided in subparagraph 2. The license may be
7 issued only:

8 a. To a full-time salaried employee of a common
9 carrier or a full-time salaried employee or owner of a
10 transportation ticket agency, which person is engaged in the
11 sale or handling of transportation of baggage and personal
12 effects of travelers, and may authorize the sale of such
13 insurance only in connection with such transportation; or

14 b. To the full-time salaried employee of a licensed
15 general lines agent or to, ~~a full-time salaried employee of a~~
16 ~~business which offers motor vehicles for rent or lease, or to~~
17 ~~a business office of a business entity that~~ which offers motor
18 vehicles for rent or lease if insurance sales activities
19 authorized by the license are in connection with and
20 incidental to the rental of a motor vehicle limited to
21 ~~full-time salaried employees.~~ An entity applying for a license
22 under this subsection:

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

27 (II) Is required to obtain a license for each office,
28 branch office, or place of business making use of the entity's
29 business name by applying to the department for the license on
30 a simplified application form developed by rule of the
31 department for this purpose.

1 (III) Is required to pay the applicable fees for a
2 license as prescribed in s. 624.501, be appointed under s.
3 626.112, and pay the prescribed appointment fee under s.
4 624.501. A licensed and appointed entity shall be directly
5 responsible and accountable for all acts of the licensee's
6 employees.

7
8 The purchaser of baggage insurance shall be provided written
9 information disclosing that the insured's homeowner's policy
10 may provide coverage for loss of personal effects and that the
11 purchase of such insurance is not required in connection with
12 the purchase of tickets or in connection with the lease or
13 rental of a motor vehicle.

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

1 additional excess coverage; and that the purchase of the
2 insurance is not required in connection with the lease or
3 rental of a motor vehicle. The excess liability insurance may
4 be provided to the lessee as an additional insured on a policy
5 issued to the licensee's employer.

6 3. A business entity that ~~office licensed pursuant to~~
7 ~~subparagraph 1., or a person licensed pursuant to subparagraph~~
8 ~~1. who is a full-time salaried employee of a business which~~
9 offers motor vehicles for rent or lease, may, as an agent of
10 an insurer, transact insurance that provides coverage for the
11 liability of the lessee to the lessor for damage to the leased
12 or rented motor vehicle if:

13 a. The lease or rental agreement is for not more than
14 30 days; or the lessee is not provided coverage for more than
15 30 consecutive days per lease period, but, if the lease is
16 extended beyond 30 days, the coverage may be extended one time
17 only for a period not to exceed an additional 30 days;

18 b. The lessee is given written notice that his or her
19 personal insurance policy that provides coverage on an owned
20 motor vehicle may provide such coverage with or without a
21 deductible; and

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

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

26 (a) Submit only one application for a license under s.
27 626.171. The requirements of s. 626.171(4)(5) shall only apply
28 to the officers and directors of the entity submitting the
29 application.

30 Section 31. Paragraph (r) is added to subsection (6)
31 of section 627.351, Florida Statutes, to read:

1 627.351 Insurance risk apportionment plans.--

2 (6) CITIZENS PROPERTY INSURANCE CORPORATION.--

3 (r) A salaried employee of the corporation who
4 performs policy administration services subsequent to the
5 effectuation of a corporation policy is not required to be
6 licensed as an agent under s. 626.112.

7 Section 32. This act does not require the Department
8 of Financial Services to begin issuing licenses to personal
9 lines agents on the effective date of this act if the
10 department has not completed the process of incorporating
11 necessary procedures for issuing personal lines licenses into
12 its licensing systems.

13 Section 33. Section 626.592, Florida Statutes, is
14 repealed.

15 Section 34. Subsection (1) of section 626.747, Florida
16 Statutes, is amended to read:

17 626.747 Branch agencies.--

18 (1) Each branch place of business established by an
19 agent or agency, firm, corporation, or association shall be in
20 the active full-time charge of a licensed general lines agent
21 who is appointed to represent one or more insurers. Any agent
22 or agency, firm, corporation, or association which has
23 established one or more branch places of business shall be
24 required to have at least one licensed general lines agent or
25 life or health agent who is appointed to represent one or more
26 insurers at each location of the agency, including its
27 headquarters location.

28 Section 35. This act shall take effect October 1,
29 2004.

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1 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
2 COMMITTEE SUBSTITUTE FOR
3 CS/SB 2800

4 Provides that the department must accept the uniform
5 application for nonresident agency licensure beginning July 1,
6 2004. Provides authority to the department to adopt revised
7 versions of the uniform application by rule.

8 Requires the department to issue a registration as an
9 insurance agency to specified qualifying agencies. Establishes
10 the type of information that must be submitted for
11 registration.

12 Permits each agency engaged in business in Florida before
13 January 1, 2002 which is wholly owned by insurance agents
14 currently licensed and appointed, or whose primary function is
15 offering insurance as a service or member benefit to members
16 of a nonprofit corporation, to apply for registration in lieu
17 of licensure. Requires an application for licensure or
18 registration to be filed on or before October 1, 2005.

19 Requires an applicant to complete a total of 52 hours of
20 classroom courses in insurance to qualify for licensure as a
21 personal lines agent.

22 Requires completion of at least 3 years of responsible duties
23 as a licensed and appointed customer representative in
24 property and casualty insurance sold to individuals and
25 families for noncommercial purposes to qualify for licensure
26 as a personal lines agent.

27 Provides that fingerprints must be obtained as part of
28 application process for an insurance agency license for each
29 owner who directs or participates in management or control of
30 an incorporated agency whose shares are not traded on a
31 securities exchange; each owner of 10 percent or more of the
32 voting shares of a corporation which are traded on a
33 securities exchange who directs or participates in the
34 management or control of an incorporated agency; the
35 president, senior vice-presidents, treasurer, secretary, and
36 directors of the agency; and any other person who directs or
37 participates in the management or control of the agency,
38 whether through the ownership of voting securities, by
39 contract, or otherwise. Fingerprints must be taken by a law
40 enforcement agency or other entity approved by the department.

41 Prohibits the department from requiring that credit or
42 character reports be submitted for persons required to be
43 listed on the application for an insurance agency license.

44 Provides that the examination for licensure under s. 626.241,
45 F.S., is to have at least 100 questions.

46 Requires each branch place of business to have at least one
47 licensed general lines, or life or health, agent who is
48 appointed to represent one or more insurers at each location,
49 including the headquarters.

50 Provides that a salaried employee of the corporation who

1 performs policy administration services subsequent to the
2 effectuation of a corporation policy is not required to be
3 licensed as an agency under s. 626.112, F.S.
4 Permits the department, office, examiners or investigators to
5 photocopy or scan materials if any person refuses to provide
6 copies of records, accounts, documents, files, or information
7 requested by the department, office, examiners or
8 investigators.
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