

By the Committee on Banking and Insurance; and Senator Posey

311-2546-04

1 A bill to be entitled
2 An act relating to the Department of Financial
3 Services; amending s. 17.16, F.S.; providing
4 that the office of the Chief Financial Officer
5 may have an official seal; amending s. 17.57,
6 F.S.; authorizing the Chief Financial Officer
7 to use reverse repurchase agreements in
8 investment transactions; amending s. 17.59,
9 F.S.; revising collateral safekeeping
10 requirements; amending s. 17.61, F.S.;
11 authorizing entities created under the State
12 Constitution to invest funds; amending s.
13 20.121, F.S.; providing that the Chief
14 Financial Officer may be referred to as the
15 "Treasurer"; providing that the Department of
16 Financial Services, rather than the Office of
17 Insurance Regulation, is responsible for
18 regulation of insurance adjusters; providing
19 that the Director of the Office of Insurance
20 Regulation may be known as the Commissioner of
21 Insurance Regulation; providing that the
22 Director of the Office of Financial Regulation
23 may be known as the Commissioner of Financial
24 Regulation; amending s. 110.1227, F.S.;
25 providing that the Director of the Office of
26 Insurance Regulation, rather than the Chief
27 Financial Officer, shall appoint an actuary to
28 the Florida Employee Long-Term-Care Plan Board
29 of Directors; amending s. 112.215, F.S.;
30 providing for the Government Employees'
31 Deferred Compensation Plan to be funded

1 indirectly from fees charged by investment
2 providers to plan participants; replacing the
3 term "plan provider" with the term "investment
4 option provider"; amending s. 215.31, F.S.;
5 requiring every state official, office, or
6 agency that enters into a settlement of a claim
7 to assure that all funds are promptly deposited
8 in the State Treasury or transmitted to
9 beneficiaries as restitution; amending s.
10 215.95, F.S.; revising the membership of the
11 Florida Financial Management Information Board;
12 amending s. 215.96, F.S.; revising the
13 membership of the coordinating council to the
14 Florida Financial Management Information Board;
15 extending the date of future repeal of the law
16 requiring the board to facilitate the
17 integration of certain administrative and
18 financial management systems and establishing
19 the Enterprise Resource Planning Integration
20 Task Force; amending s. 287.064, F.S.;
21 authorizing the financing of a guaranteed
22 energy performance savings contract pursuant to
23 a master equipment financing agreement;
24 providing certain terms and restrictions;
25 amending s. 408.05, F.S.; providing that the
26 Director of the Office of Insurance Regulation,
27 rather than the Chief Financial Officer, shall
28 appoint an employee to the State Comprehensive
29 Health Information System Advisory Council;
30 amending s. 501.212, F.S.; specifying persons
31 or activities that are exempt from part II of

1 chapter 501, F.S., the Deceptive and Unfair
2 Trade Practice Act; amending s. 516.35, F.S.;
3 correcting a reference to the agency that
4 licenses the sale of credit insurance; amending
5 ss. 624.313, 624.317, 624.501, 626.016,
6 626.112, 626.161, 626.171, 626.181, 626.191,
7 626.211, 626.221, 626.231, 626.241, 626.251,
8 626.261, 626.266, 626.271, 626.281, 626.2817,
9 626.291, 626.301, 626.371, 626.381, 626.431,
10 626.461, 626.471, 626.521, 626.541, 626.551,
11 626.611, 626.621, 626.631, 626.641, 626.661,
12 626.681, 626.691, 626.692, 626.8582, 626.8584,
13 626.859, 626.863, 626.865, 626.866, 626.867,
14 626.869, 626.8695, 626.8696, 626.8697,
15 626.8698, 626.870, 626.871, 626.872, 626.873,
16 626.8732, 626.8734, 626.8736, 626.8738,
17 626.874, 626.878, F.S.; transferring and
18 renumbering s. 627.7012, F.S., as s. 626.879,
19 F.S., and amending such section; making
20 conforming changes to authorize the Department
21 of Financial Services, rather than the Office
22 of Insurance Regulation, to regulate insurance
23 adjusters; amending s. 626.9543, F.S.;
24 specifying that the Department of Financial
25 Services, rather than the former Department of
26 Insurance, administers the Holocaust Victims
27 Insurance Act; amending s. 626.989, F.S.;
28 correcting references to the Bureau of Workers'
29 Compensation Insurance Fraud with regard to the
30 required annual report of the Department of
31 Financial Services related to workers'

1 compensation fraud; amending s. 627.0628, F.S.;
2 providing that the Director of the Office of
3 Insurance, rather than the Chief Financial
4 Officer, shall appoint an employee of the
5 office who is an actuary to the Florida
6 Commission on Hurricane Loss Projection
7 Methodology; amending s. 627.6699, F.S.;
8 providing that the Director of the Office of
9 Insurance Regulation, rather than the Chief
10 Financial Officer, shall be a member of the
11 board of the Small Employer Health Reinsurance
12 Program; providing that the transfer of the
13 regulation of adjusters from the Office of
14 Insurance Regulation to the Department of
15 Financial Services does not affect any
16 administrative or judicial action prior to or
17 pending on the effective date of the act;
18 providing that any action approved or
19 authorized by the Financial Services Commission
20 or the Office of Insurance Regulation continues
21 to be effective until the Department of
22 Financial Services otherwise prescribes;
23 providing that the rules of the Financial
24 Services Commission related to adjusters shall
25 become rules of the Department of Financial
26 Services; providing an effective date.

27
28 Be It Enacted by the Legislature of the State of Florida:

29
30 Section 1. Section 17.16, Florida Statutes, is amended
31 to read:

1 17.16 Seal.--The ~~seal~~ of office of the Chief Financial
2 Officer shall have an official seal by which its proceedings
3 are authenticated ~~be the same as the seal heretofore used for~~
4 ~~that purpose.~~

5 Section 2. Subsection (2) of section 17.57, Florida
6 Statutes, is amended to read:

7 17.57 Deposits and investments of state money.--

8 (2) The Chief Financial Officer shall make funds
9 available to meet the disbursement needs of the state. Funds
10 which are not needed for this purpose shall be placed in
11 qualified public depositories that will pay rates established
12 by the Chief Financial Officer at levels not less than the
13 prevailing rate for United States Treasury securities with a
14 corresponding maturity. In the event money is available for
15 interest-bearing time deposits or savings accounts as provided
16 herein and qualified public depositories are unwilling to
17 accept such money and pay thereon the rates established above,
18 then such money which qualified public depositories are
19 unwilling to accept shall be invested in:

20 (a) Direct United States Treasury obligations.

21 (b) Obligations of the Federal Farm Credit Banks.

22 (c) Obligations of the Federal Home Loan Bank and its
23 district banks.

24 (d) Obligations of the Federal Home Loan Mortgage
25 Corporation, including participation certificates.

26 (e) Obligations guaranteed by the Government National
27 Mortgage Association.

28 (f) Obligations of the Federal National Mortgage
29 Association.

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1 (g) Commercial paper of prime quality of the highest
2 letter and numerical rating as provided for by at least one
3 nationally recognized rating service.

4 (h) Time drafts or bills of exchange drawn on and
5 accepted by a commercial bank, otherwise known as "bankers
6 acceptances," which are accepted by a member bank of the
7 Federal Reserve System having total deposits of not less than
8 \$400 million or which are accepted by a commercial bank which
9 is not a member of the Federal Reserve System with deposits of
10 not less than \$400 million and which is licensed by a state
11 government or the Federal Government, and whose senior debt
12 issues are rated in one of the two highest rating categories
13 by a nationally recognized rating service and which are held
14 in custody by a domestic bank which is a member of the Federal
15 Reserve System.

16 (i) Corporate obligations or corporate master notes of
17 any corporation within the United States, if the long-term
18 obligations of such corporation are rated by at least two
19 nationally recognized rating services in any one of the four
20 highest classifications. However, if such obligations are
21 rated by only one nationally recognized rating service, then
22 the obligations shall be rated in any one of the two highest
23 classifications.

24 (j) Obligations of the Student Loan Marketing
25 Association.

26 (k) Obligations of the Resolution Funding Corporation.

27 (l) Asset-backed or mortgage-backed securities of the
28 highest credit quality.

29 (m) Any obligations not previously listed which are
30 guaranteed as to principal and interest by the full faith and
31 credit of the United States Government or are obligations of

1 United States agencies or instrumentalities which are rated in
2 the highest category by a nationally recognized rating
3 service.

4 (n) Commingled no-load investment funds or no-load
5 mutual funds in which all securities held by the funds are
6 authorized in this subsection.

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

9 (p) Obligations of state and local governments rated
10 in any of the four highest classifications by at least two
11 nationally recognized rating services. However, if such
12 obligations are rated by only one nationally recognized rating
13 service, then the obligations shall be rated in any one of the
14 two highest classifications.

15 (q) Derivatives of investment instruments authorized
16 in paragraphs (a)-(m).

17 (r) Covered put and call options on investment
18 instruments authorized in this subsection for the purpose of
19 hedging transactions by investment managers to mitigate risk
20 or to facilitate portfolio management.

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

26 (t) Foreign bonds denominated in United States dollars
27 and registered with the Securities and Exchange Commission for
28 sale in the United States, if the long-term obligations of
29 such issuers are rated by at least two nationally recognized
30 rating services in any one of the four highest
31 classifications. However, if such obligations are rated by

1 only one nationally recognized rating service, the obligations
2 shall be rated in any one of the two highest classifications.

3 (u) Convertible debt obligations of any corporation
4 domiciled within the United States, if the convertible debt
5 issue is rated by at least two nationally recognized rating
6 services in any one of the four highest classifications.
7 However, if such obligations are rated by only one nationally
8 recognized rating service, then the obligations shall be rated
9 in any one of the two highest classifications.

10 (v) Securities not otherwise described in this
11 subsection. However, not more than 3 percent of the funds
12 under the control of the Chief Financial Officer shall be
13 invested in securities described in this paragraph.

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15 These investments may be in varying maturities and may be in
16 book-entry form. Investments made pursuant to this subsection
17 may be under repurchase agreement or reverse repurchase
18 agreement. The Chief Financial Officer may hire registered
19 investment advisers and other consultants to assist in
20 investment management and to pay fees directly from investment
21 earnings. Investment securities, proprietary investment
22 services related to contracts, performance evaluation
23 services, investment-related equipment or software used
24 directly to assist investment trading or investment accounting
25 operations including bond calculators, telerates, Bloomborgs,
26 special program calculators, intercom systems, and software
27 used in accounting, communications, and trading, and advisory
28 and consulting contracts made under this section are exempt
29 from the provisions of chapter 287.

30 Section 3. Section 17.59, Florida Statutes, is amended
31 to read:

1 17.59 Safekeeping services.--

2 (1) The Chief Financial Officer shall administer a
3 collateral management service for all ~~may accept for~~
4 ~~safekeeping purposes, deposits of cash, securities, and other~~
5 ~~documents or articles of value from any state agencies~~ agency
6 as defined in s. 216.011, or any county, city, or political
7 subdivision thereof, or other public authority that requires
8 by statute, rule, or contract the deposit or pledge of
9 collateral.

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

13 (a) Collateral deposited and held by a custodian of
14 the Chief Financial Officer.

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

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

18 (d) Cash deposited in the Treasury Cash Deposit Trust
19 Fund and the Public Deposit Security Trust Fund.

20 (e) Cash deposited with the Chief Financial Officer as
21 escrow agent.

22 (3) The Chief Financial Officer may adopt rules for
23 the proper management and maintenance of the collateral
24 management service.

25 ~~(4)~~(2) The Chief Financial Officer may, in his or her
26 discretion, establish a fee for processing, servicing, and
27 safekeeping deposits and other documents or articles of value
28 maintained by held in the Chief Financial Officer's ~~Officer's~~
29 ~~vaults~~ as requested by the various entities according to a
30 service-level agreement or as provided for by law. Such fee
31 shall be equivalent to the fee charged by financial

1 institutions for processing, servicing, and safekeeping the
2 same types of deposits and other documents or articles of
3 value.

4 (5)~~(3)~~ The Chief Financial Officer shall collect in
5 advance, and persons so served shall pay to the Chief
6 Financial Officer in advance, the miscellaneous charges as
7 described in a service-level agreement.~~follows:~~

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

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

13 (6)~~(4)~~ All fees collected for the services described
14 in this section shall be deposited in the Treasury
15 Administrative and Investment Trust Fund.

16 Section 4. Subsection (1) of section 17.61, Florida
17 Statutes, is amended to read:

18 17.61 Chief Financial Officer; powers and duties in
19 the investment of certain funds.--

20 (1) The Chief Financial Officer shall invest all
21 general revenue funds and all the trust funds and all agency
22 funds of each state agency, and of the judicial branch, as
23 defined in s. 216.011, and may, upon request, invest funds of
24 any ~~statutorily created~~ board, association, or entity created
25 by the State Constitution or by law, except for the funds
26 required to be invested pursuant to ss. 215.44-215.53, by the
27 procedure and in the authorized securities prescribed in s.
28 17.57; for this purpose, the Chief Financial Officer may open
29 and maintain one or more demand and safekeeping accounts in
30 any bank or savings association for the investment and
31 reinvestment and the purchase, sale, and exchange of funds and

1 securities in the accounts. Funds in such accounts used solely
2 for investments and reinvestments shall be considered
3 investment funds and not funds on deposit, and such funds
4 shall be exempt from the provisions of chapter 280. In
5 addition, the securities or investments purchased or held
6 under the provisions of this section and s. 17.57 may be
7 loaned to securities dealers and banks and may be registered
8 by the Chief Financial Officer in the name of a third-party
9 nominee in order to facilitate such loans, provided the loan
10 is collateralized by cash or United States government
11 securities having a market value of at least 100 percent of
12 the market value of the securities loaned. The Chief Financial
13 Officer shall keep a separate account, designated by name and
14 number, of each fund. Individual transactions and totals of
15 all investments, or the share belonging to each fund, shall be
16 recorded in the accounts.

17 Section 5. Subsection (1) and paragraph (a) of
18 subsection (3) of section 20.121, Florida Statutes, are
19 amended to read:

20 20.121 Department of Financial Services.--There is
21 created a Department of Financial Services.

22 (1) DEPARTMENT HEAD.--The head of the Department of
23 Financial Services is the Chief Financial Officer who may also
24 be known as the Treasurer.

25 (3) FINANCIAL SERVICES COMMISSION.--Effective January
26 7, 2003, there is created within the Department of Financial
27 Services the Financial Services Commission, composed of the
28 Governor, the Attorney General, the Chief Financial Officer,
29 and the Commissioner of Agriculture, which shall for purposes
30 of this section be referred to as the commission. Commission
31 members shall serve as agency head of the Financial Services

1 Commission. The commission shall be a separate budget entity
2 and shall be exempt from the provisions of s. 20.052.
3 Commission action shall be by majority vote consisting of at
4 least three affirmative votes. The commission shall not be
5 subject to control, supervision, or direction by the
6 Department of Financial Services in any manner, including
7 purchasing, transactions involving real or personal property,
8 personnel, or budgetary matters.

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

12 1. The Office of Insurance Regulation, which shall be
13 responsible for all activities concerning insurers and other
14 risk bearing entities, including licensing, rates, policy
15 forms, market conduct, claims, ~~adjusters~~, issuance of
16 certificates of authority, solvency, viatical settlements,
17 premium financing, and administrative supervision, as provided
18 under the insurance code or chapter 636. The head of the
19 Office of Insurance Regulation is the Director of the Office
20 of Insurance Regulation, who may also be known as the
21 Commissioner of Insurance Regulation.

22 2. The Office of Financial Regulation, which shall be
23 responsible for all activities of the Financial Services
24 Commission relating to the regulation of banks, credit unions,
25 other financial institutions, finance companies, and the
26 securities industry. The head of the office is the Director
27 of the Office of Financial Regulation, who may also be known
28 as the Commissioner of Financial Regulation. The Office of
29 Financial Regulation shall include a Bureau of Financial
30 Investigations, which shall function as a criminal justice
31 agency for purposes of ss. 943.045-943.08 and shall have a

1 separate budget. The bureau may conduct investigations within
2 or outside this state as the bureau deems necessary to aid in
3 the enforcement of this section. If, during an investigation,
4 the office has reason to believe that any criminal law of this
5 state has or may have been violated, the office shall refer
6 any records tending to show such violation to state or federal
7 law enforcement or prosecutorial agencies and shall provide
8 investigative assistance to those agencies as required.

9 Section 6. Subsection (6) of section 110.1227, Florida
10 Statutes, is amended to read:

11 110.1227 Florida Employee Long-Term-Care Plan Act.--

12 (6) A Florida Employee Long-Term-Care Plan Board of
13 Directors is created, composed of nine members who shall serve
14 2-year terms, to be appointed after May 1, 1999, as follows:

15 (a) The secretary of the Department of Elderly Affairs
16 shall appoint a member who is a plan participant.

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

19 (c) The Attorney General shall appoint an attorney
20 licensed to practice law in this state.

21 (d) The Governor shall appoint three members from a
22 broad cross-section of the residents of this state.

23 (e) The Department of Management Services shall
24 appoint a member.

25 (f) The President of the Senate shall appoint a member
26 of the Senate.

27 (g) The Speaker of the House of Representatives shall
28 appoint a member of the House of Representatives.

29 Section 7. Paragraph (e) is added to subsection (4) of
30 section 112.215, Florida Statutes, and subsection (11) of that
31 section is amended, to read:

1 112.215 Government employees; deferred compensation
2 program.--

3 (4)

4 (e) The administrative costs of the deferred
5 compensation plan must be wholly or partially self-funded.
6 Fees for such self-funding of the plan shall be paid by
7 investment providers and may be recouped from their respective
8 plan participants. Such fees shall be deposited in the
9 Deferred Compensation Trust Fund.

10 (11) With respect to any funds held pursuant to a
11 deferred compensation plan, any investment option plan
12 provider that ~~which~~ is a bank or savings association and that
13 ~~which~~ provides time deposit accounts and certificates of
14 deposit as an investment product to the plan participants may,
15 with the approval of the State Board of Administration for
16 providers in the state plan, or with the approval of the
17 appropriate official or body designated under subsection (5)
18 for a plan of a county, municipality, other political
19 subdivision, or constitutional county officer, be exempt from
20 the provisions of chapter 280 requiring it to be a qualified
21 public depository, provided:

22 (a) The bank or savings association shall, to the
23 extent that the time deposit accounts or certificates of
24 deposit are not insured by the Federal Deposit Insurance
25 Corporation, deposit or issue collateral with the Chief
26 Financial Officer for all state funds held by it under a
27 deferred compensation plan, or with such other appropriate
28 official for all public funds held by it under a deferred
29 compensation plan of a county, municipality, other political
30 subdivision, or constitutional county officer, in an amount
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1 which equals at least 150 percent of all uninsured deferred
2 compensation funds then held.

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

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

10 Section 8. Section 215.31, Florida Statutes, is
11 amended to read:

12 215.31 State funds; deposit in State Treasury.--

13 (1) Revenue, including licenses, fees, imposts, or
14 exactions collected or received under the authority of the
15 laws of the state by each and every state official, office,
16 employee, bureau, division, board, commission, institution,
17 agency, or undertaking of the state or the judicial branch
18 shall be promptly deposited in the State Treasury, and
19 immediately credited to the appropriate fund as herein
20 provided, properly accounted for by the Department of
21 Financial Services as to source and no money shall be paid
22 from the State Treasury except as appropriated and provided by
23 the annual General Appropriations Act, or as otherwise
24 provided by law.

25 (2) Every state official, office, employee, bureau,
26 division, board, commission, institution, agency, or
27 undertaking of the state or the judicial branch which enters
28 into a settlement of any action or claim brought on behalf of
29 the state against any person shall assure that all funds paid
30 pursuant to the settlement are promptly deposited into the
31 State Treasury. However, funds designated in the settlement

1 for purposes of restitution to affected individuals shall be
2 promptly transmitted to the intended beneficiaries thereof.
3 Funds due and owing to the state under a settlement may not be
4 maintained outside the State Treasury unless otherwise
5 specifically authorized by law.

6 Section 9. Subsection (1) of section 215.95, Florida
7 Statutes, is amended to read:

8 215.95 Financial Management Information Board.--

9 (1) There is created, as part of the Administration
10 Commission, the Financial Management Information Board. The
11 board shall be composed of the Governor, the Chief Financial
12 Officer, the Commissioner of Agriculture, and the Attorney
13 General. The Governor shall be chair of the board. The
14 Governor or the Chief Financial Officer may call a meeting of
15 the board at any time the need arises.

16 Section 10. Subsections (2) and (4) of section 215.96,
17 Florida Statutes, are amended to read:

18 215.96 Coordinating council and design and
19 coordination staff.--

20 (2) The coordinating council shall consist of the
21 Chief Financial Officer; the Commissioner of Agriculture; the
22 secretary of the Department of Management Services; the
23 Attorney General; and the Director of Planning and Budgeting,
24 Executive Office of the Governor, or their designees. The
25 Chief Financial Officer, or his or her designee, shall be
26 chair of the coordinating council, and the design and
27 coordination staff shall provide administrative and clerical
28 support to the council and the board. The design and
29 coordination staff shall maintain the minutes of each meeting
30 and shall make such minutes available to any interested
31 person. The Auditor General, the State Courts Administrator,

1 an executive officer of the Florida Association of State
2 Agency Administrative Services Directors, and an executive
3 officer of the Florida Association of State Budget Officers,
4 or their designees, shall serve without voting rights as ex
5 officio members on the coordinating council. The chair may
6 call meetings of the coordinating council as often as
7 necessary to transact business; however, the coordinating
8 council shall meet at least once a year. Action of the
9 coordinating council shall be by motion, duly made, seconded
10 and passed by a majority of the coordinating council voting in
11 the affirmative for approval of items that are to be
12 recommended for approval to the Financial Management
13 Information Board.

14 (4) The Financial Management Information Board,
15 through the coordinating council, shall provide the necessary
16 planning, implementation, and integration policies,
17 coordination procedures, and reporting processes to facilitate
18 the successful and efficient integration of the central
19 administrative and financial management information systems,
20 including the Florida Accounting Information Resource system
21 (FLAIR), Cash Management System (CMS), and FLAIR/CMS
22 replacement project, the payroll system in the Department of
23 Financial Services, the Legislative Appropriations
24 System/Planning and Budgeting Subsystem (LAS/PBS), the State
25 Purchasing System (SPURS) and MyFlorida Marketplace project,
26 the Cooperative Personnel Employment Subsystem (COPEs) and the
27 PeopleFirst Outsourcing project, and the State Unified Tax
28 system (SUNTAX).

29 (a) To fulfill this role, the coordinating council
30 shall establish an Enterprise Resource Planning Integration
31 Task Force, which shall consist of the coordinating council

1 members plus the Chief Information Officer in the State
2 Technology Office and the Executive Director or designee in
3 the Department of Revenue, who shall serve with voting rights
4 on the task force. The nonvoting ex officio members of the
5 coordinating council shall be nonvoting members of the task
6 force.

7 (b) The task force shall be established by August 1,
8 2003, and shall remain in existence until the integration
9 goals have been achieved among the FLAIR/CMS Replacement
10 project, SPURS and MyFlorida Marketplace project, COPES and
11 PeopleFirst project, payroll system, LAS/PBS, and SUNTAX
12 system, or until June 30, 2005, whichever is later. The task
13 force shall hold its initial meeting no later than September
14 1, 2003, and shall meet at the call of the chair or at least
15 once every 60 days. In its initial meeting, task force members
16 shall:

17 1. Adopt a task force charter that identifies major
18 objectives, activities, milestones and deliverables,
19 significant assumptions, and constraints on the task force
20 functions and major stakeholder groups interested in the
21 outcome of the task force.

22 2. Consider and adopt processes by which information
23 will be collected and business process and technical
24 integration issues will be raised for analysis and
25 recommendation by the task force.

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

29 (c) The coordinating council shall provide
30 administrative and technical support to the task force as is
31 reasonably necessary for the task force to effectively and

1 timely carry out its duties and responsibilities. The cost of
2 providing such support may be paid from funds appropriated for
3 the operation of the council or the FLAIR/CMS Replacement
4 project. The task force also may contract for services to
5 obtain specific expertise to analyze, facilitate, and
6 formulate recommendations to address process and technical
7 integration problems that need to be resolved.

8 (d) Using information and input from project teams and
9 stakeholders responsible for the FLAIR/CMS Replacement
10 project, SPURS and MyFlorida Marketplace project, COPES and
11 PeopleFirst project, payroll system, LAS/PBS, and SUNTAX
12 system, the responsibilities of the task force shall include,
13 but not be limited to:

14 1. Identifying and documenting central administrative
15 and financial management policies, procedures, and processes
16 that need to be integrated and recommending steps for
17 implementation.

18 2. Collecting information from the subsystem owners
19 and project teams and developing and publishing a consolidated
20 list of enterprise resource planning functional and technical
21 integration requirements.

22 3. Publishing integration plans and timelines based on
23 information collected from task force members.

24 4. Forming committees, workgroups, and teams as
25 provided in subsection (3).

26 5. Developing recommendations for the Financial
27 Management Information Board which clearly describe any
28 business or technical problems that need to be addressed, the
29 options for resolving the problem, and the recommended
30 actions.

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1 6. Developing and implementing plans for reporting
2 status of integration efforts.

3 (e) The task force shall provide recommendations to
4 the Financial Management Information Board for review and
5 approval regarding the technical, procedural, policy, and
6 process requirements and changes that are needed to
7 successfully integrate, implement, and realize the benefits of
8 the enterprise resource planning initiatives associated with
9 the FLAIR/CMS Replacement project, SPURS and MyFlorida
10 Marketplace project, COPEs and PeopleFirst project, payroll
11 system, LAS/PBS, and SUNTAX system. The first of these reports
12 should be provided no later than October 3, 2003.

13 (f) The task force shall monitor, review, and evaluate
14 the progress of the FLAIR/CMS Replacement project, SPURS and
15 MyFlorida Marketplace project, COPEs and PeopleFirst project,
16 payroll system, LAS/PBS, and SUNTAX system, in implementing
17 the process and technical integration requirements and changes
18 approved by the Financial Management Information Board and in
19 achieving the necessary integration among the central
20 administrative and financial management information systems
21 represented on the task force. The task force shall prepare
22 and submit quarterly reports to the Executive Office of the
23 Governor, the chairs of the Senate Appropriations Committee
24 and the House Appropriations Committee, and the Financial
25 Management Information Board. Each quarterly report shall
26 identify and describe the technical, procedural, policy, and
27 process requirements and changes proposed and adopted by the
28 board and shall describe the status of the implementation of
29 these integration efforts, identify any problems, issues, or
30 risks that require executive-level action, and report actual

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1 costs related to the Enterprise Resource Planning Integration
2 Task Force.

3 (g) By January 15, 2004, and annually thereafter,
4 until it is disbanded, the Enterprise Resource Planning
5 Integration Task Force shall report to the Financial
6 Management Information Board, the Speaker of the House of
7 Representatives, and the President of the Senate the results
8 of the task force's monitoring, review, and evaluation of
9 enterprise resource planning integration activities and
10 requirements, and any recommendations for statutory changes to
11 be considered by the Legislature.

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

13 Section 11. Subsection (10) is added to section
14 287.064, Florida Statutes, to read:

15 287.064 Consolidated financing of deferred-payment
16 purchases.--

17 (10) Costs incurred pursuant to a guaranteed energy
18 performance savings contract, including the cost of energy
19 conservation measures, each as defined in s. 489.145, may be
20 financed pursuant to a master equipment financing agreement;
21 however, the costs of training, operation, and maintenance may
22 not be financed. The period of time for repayment of the funds
23 drawn pursuant to the master equipment financing agreement
24 under this subsection may exceed 5 years but may not exceed 10
25 years.

26 Section 12. Paragraph (a) of subsection (8) of section
27 408.05, Florida Statutes, is amended to read:

28 408.05 State Center for Health Statistics.--

29 (8) STATE COMPREHENSIVE HEALTH INFORMATION SYSTEM
30 ADVISORY COUNCIL.--

31

1 (a) There is established in the agency the State
2 Comprehensive Health Information System Advisory Council to
3 assist the center in reviewing the comprehensive health
4 information system and to recommend improvements for such
5 system. The council shall consist of the following members:

6 1. An employee of the Executive Office of the
7 Governor, to be appointed by the Governor.

8 2. An employee of the Office of Insurance Regulation
9 ~~Department of Financial Services~~, to be appointed by the
10 director of the office ~~Chief Financial Officer~~.

11 3. An employee of the Department of Education, to be
12 appointed by the Commissioner of Education.

13 4. Ten persons, to be appointed by the Secretary of
14 Health Care Administration, representing other state and local
15 agencies, state universities, the Florida Association of
16 Business/Health Coalitions, local health councils,
17 professional health-care-related associations, consumers, and
18 purchasers.

19 Section 13. Subsection (4) of section 501.212, Florida
20 Statutes, is amended to read:

21 501.212 Application.--This part does not apply to:

22 (4) Any person or activity regulated under laws
23 administered by:

24 (a) The Department of Financial Services or the Office
25 of Insurance Regulation of the Financial Services Commission;
26 ~~or~~

27 (b) Banks and savings and loan associations regulated
28 by the Office of Financial Regulation of the Financial
29 Services Commission;~~or~~

30 (c) Banks or savings and loan associations regulated
31 by federal agencies; ~~or~~

1 (d) Any person or activity regulated under the laws
2 administered by the former Department of Insurance which are
3 now administered by the Department of Financial Services.

4 Section 14. Subsection (1) of section 516.35, Florida
5 Statutes, is amended to read:

6 516.35 Credit insurance must comply with credit
7 insurance act.--

8 (1) Tangible property offered as security may be
9 reasonably insured against loss for a reasonable term,
10 considering the circumstances of the loan. If such insurance
11 is sold at standard rates through a person duly licensed by
12 the Department of Financial Services ~~Office of Insurance~~
13 ~~Regulation of the Financial Services Commission~~ and if the
14 policy is payable to the borrower or any member of her or his
15 family, it shall not be deemed to be a collateral sale,
16 purchase, or agreement even though a customary mortgagee
17 clause is attached or the licensee is a coassured.

18 Section 15. Subsection (2) of section 624.313, Florida
19 Statutes, is amended to read:

20 624.313 Publications.--

21 (2)~~(a)~~ The department may prepare and have printed and
22 published in pamphlet or book form the following:

23 (a)1. As needed, questions and answers for the use of
24 persons applying for an examination for licensing as agents
25 for property, casualty, surety, health, and miscellaneous
26 insurers.

27 (b)2. As needed, questions and answers for the use of
28 persons applying for an examination for licensing as agents
29 for life and health insurers.

30 ~~(c)(b) The office may prepare and have printed and~~
31 ~~published in pamphlet or book form,~~As needed, questions and

1 answers for the use of persons applying for an examination for
2 licensing as adjusters.

3 Section 16. Subsection (1) and paragraph (a) of
4 subsection (2) of section 624.317, Florida Statutes, are
5 amended to read:

6 624.317 Investigation of agents, adjusters,
7 administrators, service companies, and others.--If it has
8 reason to believe that any person has violated or is violating
9 any provision of this code, or upon the written complaint
10 signed by any interested person indicating that any such
11 violation may exist:

12 (1) The department shall conduct such investigation as
13 it deems necessary of the accounts, records, documents, and
14 transactions pertaining to or affecting the insurance affairs
15 of any general agent, surplus line agent, adjuster, managing
16 general agent, insurance agent, customer representative,
17 service representative, or other person subject to its
18 jurisdiction, subject to the requirements of s. 626.601.

19 (2) The office shall conduct such investigation as it
20 deems necessary of the accounts, records, documents, and
21 transactions pertaining to or affecting the insurance affairs
22 of any:

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

25 Section 17. Paragraph (d) of subsection (12) of
26 section 624.501, Florida Statutes, is amended to read:

27 624.501 Filing, license, appointment, and
28 miscellaneous fees.--The department, commission, or office, as
29 appropriate, shall collect in advance, and persons so served
30 shall pay to it in advance, fees, licenses, and miscellaneous
31 charges as follows:

1 (12) Adjusters:

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

4 Section 18. Subsections (1) and (2) of section
5 626.016, Florida Statutes, are amended to read:

6 626.016 Powers and duties of department, commission,
7 and office.--

8 (1) The powers and duties of the Chief Financial
9 Officer and the department specified in this part apply only
10 with respect to insurance agents, managing general agents,
11 insurance adjusters,reinsurance intermediaries, viatical
12 settlement brokers, customer representatives, service
13 representatives, and agencies.

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

18 Section 19. Paragraph (a) of subsection (1) of section
19 626.112, Florida Statutes, is amended to read:

20 626.112 License and appointment required; agents,
21 customer representatives, adjusters, insurance agencies,
22 service representatives, managing general agents.--

23 (1)(a) No person may be, act as, or advertise or hold
24 himself or herself out to be an insurance agent, insurance
25 adjuster,or customer representative unless he or she is
26 currently licensed by the department and appointed by an
27 appropriate appointing entity or person ~~one or more insurers~~.

28 ~~No person may be, act as, or advertise or hold himself or~~
29 ~~herself out to be an insurance adjuster unless he or she is~~
30 ~~currently licensed by the office and appointed by one or more~~
31 ~~insurers~~.

1 Section 20. Section 626.161, Florida Statutes, is
2 amended to read:

3 626.161 Licensing forms.--The department shall
4 prescribe and furnish all printed forms required in connection
5 with the application for issuance of and termination of all
6 licenses and appointments, ~~except that, with respect to~~
7 ~~adjusters, the commission shall prescribe and the office shall~~
8 ~~furnish such forms.~~

9 Section 21. Subsection (1), paragraph (f) of
10 subsection (2), and subsection (5) of section 626.171, Florida
11 Statutes, are amended to read:

12 626.171 Application for license.--

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

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

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

30 (5) An application for a license as an agent, customer
31 representative, adjuster, insurance agency, service

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

12 Section 22. Section 626.181, Florida Statutes, is
13 amended to read:

14 626.181 Number of applications for licensure
15 required.--After a license as agent, customer representative,
16 or adjuster has been issued to an individual, the same
17 individual shall not be required to take another examination
18 for a similar license, regardless, in the case of an agent, of
19 the number of insurers to be represented by him or her as
20 agent, unless:

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

23 (2) During any period of 48 months since the filing of
24 the original license application, such individual was not
25 appointed as an agent, customer representative, or adjuster,
26 unless the failure to be so appointed was due to military
27 service, in which event the period within which a new
28 application is not required may, in the discretion of the
29 department ~~or office~~, be extended to 12 months following the
30 date of discharge from military service if the military
31 service does not exceed 3 years, but in no event to extend

1 under this clause for a period of more than 6 years from the
2 date of filing of the original application for license.

3 Section 23. 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 him or her from applying again as many times as
8 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 24. Section 626.211, Florida Statutes, is
14 amended to read:

15 626.211 Approval, disapproval of application.--

16 (1) If upon the basis of a completed application for
17 license and such further inquiry or investigation as the
18 department ~~or office~~ may make concerning an applicant the
19 department ~~or office~~ is satisfied that, subject to any
20 examination required to be taken and passed by the applicant
21 for a license, the applicant is qualified for the license
22 applied for and that all pertinent fees have been paid, it
23 shall approve the application. The department ~~or office~~ shall
24 not deny, delay, or withhold approval of an application due to
25 the fact that it has not received a criminal history report
26 based on the applicant's fingerprints.

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

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

4 (4) If upon the basis of the completed application and
5 such further inquiry or investigation the department ~~or office~~
6 deems the applicant to be lacking in any one or more of the
7 required qualifications for the license applied for, the
8 department ~~or office~~ shall disapprove the application and
9 notify the applicant, stating the grounds of disapproval.

10 Section 25. Subsection (1) and paragraphs (a), (c),
11 (d), (f), (g), and (l) of subsection (2) of section 626.221,
12 Florida Statutes, are amended to read:

13 626.221 Examination requirement; exemptions.--

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

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

21 (a) An applicant for renewal of appointment as an
22 agent, customer representative, or adjuster, unless the
23 department ~~or office~~ determines that an examination is
24 necessary to establish the competence or trustworthiness of
25 such applicant.

26 (c) In the discretion of the department ~~or office~~, an
27 applicant for reinstatement of license or appointment as an
28 agent, customer representative, or adjuster whose license has
29 been suspended within 2 years prior to the date of application
30 or written request for reinstatement.

31

1 (d) An applicant who, within 2 years prior to
2 application for license and appointment as an agent, customer
3 representative, or adjuster, was a full-time salaried employee
4 of the department ~~or office~~ and had continuously been such an
5 employee with responsible insurance duties for not less than 2
6 years and who had been a licensee within 2 years prior to
7 employment by the department ~~or office~~ with the same class of
8 license as that being applied for.

9 (f) A person who has been licensed and appointed as a
10 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, without
15 additional written examination if an application for
16 appointment is filed with the department ~~office~~ within 48
17 months following the date of cancellation or expiration of the
18 prior appointment.

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

26 (1) An applicant for license as an adjuster who has
27 the designation of Accredited Claims Adjuster (ACA) from a
28 regionally accredited postsecondary institution in this state,
29 or the designation of Professional Claims Adjuster (PCA) from
30 the Professional Career Institute, whose curriculum has been
31 approved by the department ~~office~~ and whose curriculum

1 includes comprehensive analysis of basic property and casualty
2 lines of insurance and testing at least equal to that of
3 standard department ~~office~~ testing for the all-lines adjuster
4 license. The department ~~commission~~ shall adopt rules
5 establishing standards for the approval of curriculum.

6 Section 26. Section 626.231, Florida Statutes, is
7 amended to read:

8 626.231 Eligibility for examination.--No person shall
9 be permitted to take an examination for license until his or
10 her application for the license has been approved and the
11 required fees have been received by the department ~~or office~~
12 or a person designated by the department ~~or office~~ to
13 administer the examination.

14 Section 27. Subsection (1) of section 626.241, Florida
15 Statutes, is amended to read:

16 626.241 Scope of examination.--

17 (1) Each examination for a license as agent, customer
18 representative, or adjuster shall be of such scope as is
19 deemed by the department ~~or office~~ to be reasonably necessary
20 to test the applicant's ability and competence and knowledge
21 of the kinds of insurance and transactions to be handled under
22 the license applied for, of the duties and responsibilities of
23 such a licensee, and of the pertinent provisions of the laws
24 of this state.

25 Section 28. Subsections (1) and (3) of section
26 626.251, Florida Statutes, are amended to read:

27 626.251 Time and place of examination; notice.--

28 (1) The department ~~or office~~ or a person designated by
29 the department ~~or office~~ shall mail written notice of the time
30 and place of the examination to each applicant for license
31 required to take an examination who will be eligible to take

1 the examination as of the examination date. The notice shall
2 be so mailed, postage prepaid, and addressed to the applicant
3 at his or her address shown on the application for license or
4 at such other address as requested by the applicant in writing
5 filed with the department ~~or office~~ prior to the mailing of
6 the notice. Notice shall be deemed given when so mailed.

7 (3) The department ~~or office~~ shall make an examination
8 available to the applicant, to be taken as soon as reasonably
9 possible after the applicant is eligible therefor. Any
10 examination required under this part shall be available in
11 this state at a designated examination center.

12 Section 29. Subsections (1), (2), and (3) of section
13 626.261, Florida Statutes, are amended to read:

14 626.261 Conduct of examination.--

15 (1) The applicant for license shall appear in person
16 and personally take the examination for license at the time
17 and place specified by the department ~~or office~~ or by a person
18 designated by the department ~~or office~~.

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

22 (3) The questions propounded shall be as prepared by
23 the department ~~or office~~, or by a person designated by the
24 department ~~or office~~ for that purpose, consistent with the
25 applicable provisions of this code.

26 Section 30. Section 626.266, Florida Statutes, is
27 amended to read:

28 626.266 Printing of examinations or related materials
29 to preserve examination security.--A contract let for the
30 development, administration, or grading of examinations or
31 related materials by the department ~~or office~~ pursuant to the

1 various agent, customer representative, or adjuster licensing
2 and examination provisions of this code may include the
3 printing or furnishing of these examinations or related
4 materials in order to preserve security. Any such contract
5 shall be let as a contract for a contractual service pursuant
6 to s. 287.057.

7 Section 31. Subsection (1) of section 626.271, Florida
8 Statutes, is amended to read:

9 626.271 Examination fee; determination, refund.--

10 (1) Prior to being permitted to take an examination,
11 each applicant who is subject to examination shall pay to the
12 department ~~or office~~ or a person designated by the department
13 ~~or office~~ an examination fee. A separate and additional
14 examination fee shall be payable for each separate class of
15 license applied for, notwithstanding that all such
16 examinations are taken on the same date and at the same place.

17 Section 32. Section 626.281, Florida Statutes, is
18 amended to read:

19 626.281 Reexamination.--

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

21 (a) Taken an examination and failed to make a passing
22 grade, or

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

26
27 may take additional examinations, after filing with the
28 department ~~or office~~ an application for reexamination together
29 with applicable fees. The failure of an applicant to pass an
30 examination or the failure to appear for the examination or to
31

1 take or complete the examination does not preclude the
2 applicant from taking subsequent examinations.

3 (2) The department ~~or office~~ may require any
4 individual whose license as an agent, customer representative,
5 or adjuster has expired or has been suspended to pass an
6 examination prior to reinstating or relicensing the individual
7 as to any class of license. The examination fee shall be paid
8 as to each examination.

9 Section 33. Section 626.2817, Florida Statutes, is
10 amended to read:

11 626.2817 Regulation of course providers, instructors,
12 school officials, and monitor groups involved in prelicensure
13 education for insurance agents and other licensees.--

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

18 (2) The department ~~or commission~~ shall adopt rules
19 establishing standards for the approval, registration,
20 discipline, or removal from registration of course providers,
21 instructors, school officials, and monitor groups. The
22 standards must be designed to ensure that such persons have
23 the knowledge, competence, and integrity to fulfill the
24 educational objectives of the prelicensure requirements of
25 this chapter and chapter 648 and to assure that insurance
26 agents and licensees are competent to engage in the activities
27 authorized under the license.

28 (3) The department ~~or commission~~ shall adopt rules to
29 establish a process for determining compliance with the
30 prelicensure requirements of this chapter and chapter 648. The
31

1 department ~~or commission~~ shall adopt rules prescribing the
2 forms necessary to administer the prelicensure requirements.

3 Section 34. Section 626.291, Florida Statutes, is
4 amended to read:

5 626.291 Denial, issuance of license.--

6 (1) Within 30 days after the applicant has completed
7 any examination required under s. 626.221, the department ~~or~~
8 ~~office~~ or its designee shall provide a score report; and, if
9 it finds that the applicant has received a passing grade, the
10 department ~~or office~~ shall within such period notify the
11 applicant and issue and transmit the license to which such
12 examination related. If it finds that the applicant did not
13 make a passing grade on the examination for a particular
14 license, the department ~~or office~~ or its designee shall within
15 this period provide notice to the applicant to that effect and
16 of its denial of the license.

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

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

25 Section 35. Section 626.301, Florida Statutes, is
26 amended to read:

27 626.301 Form and contents of licenses, in
28 general.--Each license issued by the department ~~or office~~
29 shall be in such form as the department ~~or commission~~ may
30 designate and contain the licensee's name, lines of authority
31 the licensee is authorized to transact, the licensee's

1 personal identification number, the date of issuance, and any
2 other information the department ~~or commission~~ deems necessary
3 to fully identify the licensee and the authority being
4 granted. The department ~~or commission~~ may by rule require
5 photographs of applicants as a part of the licensing process.

6 Section 36. Subsection (2) of section 626.371, Florida
7 Statutes, is amended to read:

8 626.371 Payment of fees, taxes for appointment period
9 without appointment.--

10 (2) If, upon application and qualification for an
11 initial or renewal appointment and such investigation as the
12 department ~~or office~~ may make, it appears to the department ~~or~~
13 ~~office~~ that an individual who was formerly licensed or is
14 currently licensed but not properly appointed to represent an
15 insurer or employer and who has been actively engaged or is
16 currently actively engaged as such an appointee, but without
17 being appointed as required, the department ~~or office~~ may, if
18 it finds that such failure to be appointed was an inadvertent
19 error on the part of the insurer or employer so represented,
20 nevertheless issue or authorize the issuance of the
21 appointment as applied for but subject to the condition that,
22 before the appointment is issued, all fees and taxes which
23 would have been due had the applicant been so appointed during
24 such current and prior periods, with applicable fees pursuant
25 to s. 624.501 for such current and prior periods of
26 appointment, shall be paid to the department ~~or office~~.

27 Section 37. Subsections (2), (3), and (4) of section
28 626.381, Florida Statutes, are amended to read:

29 626.381 Renewal, continuation, reinstatement, or
30 termination of appointment.--

31

1 (2) Each appointing entity shall file with the
2 department ~~or office~~ the lists, statements, and information as
3 to appointees whose appointments are being renewed or
4 terminated, accompanied by payment of the applicable renewal
5 fees and taxes as prescribed in s. 624.501, by a date set
6 forth by the department ~~or office~~ following the month during
7 which the appointments will expire.

8 (3) Renewal of an appointment which is received by the
9 department ~~or office~~ or person designated by the department to
10 administer the appointment process prior to the expiration of
11 an appointment in the licensee's birth month or license issue
12 date, whichever applies, may be renewed by the department ~~or~~
13 ~~office~~ without penalty and shall be effective as of the first
14 day of the month succeeding the month in which the appointment
15 would have expired.

16 (4) Renewal of an appointment which is received by the
17 department ~~or office~~ or person designated by the department to
18 administer the appointment process after the renewal date may
19 be accepted and effectuated by the department ~~or office~~ in its
20 discretion if the appointment, late filing, continuation, and
21 reinstatement fee accompanies the renewal request pursuant to
22 s. 624.501. Late filing fees shall be paid by the appointing
23 entity and may not be charged to the appointee.

24 Section 38. Subsection (2) of section 626.431, Florida
25 Statutes, is amended to read:

26 626.431 Effect of expiration of license and
27 appointment.--

28 (2) When a licensee's last appointment for a
29 particular class of insurance has been terminated or not
30 renewed, the department ~~or office~~ must notify the licensee
31 that his or her eligibility for appointment as such an

1 appointee will expire unless he or she is appointed prior to
2 expiration of the 48-month period referred to in subsection
3 (3).

4 Section 39. Section 626.461, Florida Statutes, is
5 amended to read:

6 626.461 Continuation of appointment of agent or other
7 representative.--Subject to renewal or continuation by the
8 appointing entity, the appointment of the agent, adjuster,
9 service representative, customer representative, or managing
10 general agent shall continue in effect until the person's
11 license is revoked or otherwise terminated, unless written
12 notice of earlier termination of the appointment is filed with
13 the department ~~or office~~ or person designated by the
14 department to administer the appointment process by either the
15 appointing entity or the appointee.

16 Section 40. Subsections (2), (3), (4), and (5) of
17 section 626.471, Florida Statutes, are amended to read:

18 626.471 Termination of appointment.--

19 (2) As soon as possible and at all events within 30
20 days after terminating the appointment of an appointee, other
21 than as to an appointment terminated by the appointing
22 entity's failure to continue or renew it, the appointing
23 entity shall file written notice thereof with the department
24 ~~or office~~, together with a statement that it has given the
25 appointee notice thereof as provided in subsection (1) and
26 shall file with the department ~~or office~~ the reasons and facts
27 involved in such termination as required under s. 626.511.

28 (3) Upon termination of the appointment of an
29 appointee, whether by failure to renew or continue the
30 appointment, the appointing entity shall:

31

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

3 (b) Subject to the exceptions provided under
4 subsection (1), continue the outstanding contracts transacted
5 by an agent until the expiration date or anniversary date when
6 the policy is a continuous policy with no expiration date.
7 This paragraph shall not be construed to prohibit the
8 cancellation of such contracts when not otherwise prohibited
9 by law.

10 (4) An appointee may terminate the appointment at any
11 time by giving written or electronic notice thereof to the
12 appointing entity, department ~~or office~~, or person designated
13 by the department to administer the appointment process. The
14 department shall immediately terminate the appointment and
15 notify the appointing entity of such termination. Such
16 termination shall be subject to the appointee's contract
17 rights, if any.

18 (5) Upon receiving notice of termination, the
19 department ~~or office~~ or person designated by the department to
20 administer the appointment process shall terminate the
21 appointment.

22 Section 41. Subsections (2), (3), and (5) of section
23 626.521, Florida Statutes, are amended to read:

24 626.521 Character, credit reports.--

25 (2) If requested by the department ~~or office~~, the
26 insurer, manager, general agent, general lines agent, or
27 employer, as the case may be, shall furnish to the department
28 ~~or office~~ on a form adopted and furnished by the department ~~or~~
29 ~~commission and furnished by the department or office~~, such
30 information as it ~~may~~ reasonably requires ~~require~~ relative to
31 such individual and investigation.

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

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

11 Section 42. Subsections (1) and (2) of section
12 626.541, Florida Statutes, are amended to read:

13 626.541 Firm, corporate, and business names; officers;
14 associates; notice of changes.--

15 (1) Any licensed agent or adjuster doing business
16 under a firm or corporate name or under any business name
17 other than his or her own individual name shall, within 30
18 days after the initial transaction of insurance under such
19 business name, file with the department ~~or office~~, on forms
20 adopted and furnished by the department ~~or commission and~~
21 ~~furnished by the department or office~~, a written statement of
22 the firm, corporate, or business name being so used, the
23 address of any office or offices or places of business making
24 use of such name, and the name and social security number of
25 each officer and director of the corporation and of each
26 individual associated in such firm or corporation as to the
27 insurance transactions thereof or in the use of such business
28 name.

29 (2) In the event of any change of such name, or of any
30 of the officers and directors, or of any of such addresses, or
31 in the personnel so associated, written notice of such change

1 must be filed with the department ~~or office~~ within 30 days by
2 or on behalf of those licensees terminating any such firm,
3 corporate, or business name or continuing to operate
4 thereunder.

5 Section 43. Section 626.551, Florida Statutes, is
6 amended to read:

7 626.551 Notice of change of address, name.--Every
8 licensee shall notify the department ~~or office~~ in writing
9 within 60 days after a change of name, residence address,
10 principal business street address, or mailing address. Any
11 licensed agent who has moved his or her residence from this
12 state shall have his or her license and all appointments
13 immediately terminated by the department ~~or office~~. Failure to
14 notify the department ~~or office~~ within the required time
15 period shall result in a fine not to exceed \$250 for the first
16 offense and, for subsequent offenses, a fine of not less than
17 \$500 or suspension or revocation of the license pursuant to s.
18 626.611 or s. 626.621.

19 Section 44. Section 626.611, Florida Statutes, is
20 amended to read:

21 626.611 Grounds for compulsory refusal, suspension, or
22 revocation of agent's, title agency's, adjuster's, customer
23 representative's, service representative's, or managing
24 general agent's license or appointment.--The department ~~or~~
25 ~~office~~ shall deny an application for, suspend, revoke, or
26 refuse to renew or continue the license or appointment of any
27 applicant, agent, title agency, adjuster, customer
28 representative, service representative, or managing general
29 agent, and it shall suspend or revoke the eligibility to hold
30 a license or appointment of any such person, if it finds that
31

1 as to the applicant, licensee, or appointee any one or more of
2 the following applicable grounds exist:

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

5 (2) Material misstatement, misrepresentation, or fraud
6 in obtaining the license or appointment or in attempting to
7 obtain the license or appointment.

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

10 (4) If the license or appointment is willfully used,
11 or to be used, to circumvent any of the requirements or
12 prohibitions of this code.

13 (5) Willful misrepresentation of any insurance policy
14 or annuity contract or willful deception with regard to any
15 such policy or contract, done either in person or by any form
16 of dissemination of information or advertising.

17 (6) If, as an adjuster, or agent licensed and
18 appointed to adjust claims under this code, he or she has
19 materially misrepresented to an insured or other interested
20 party the terms and coverage of an insurance contract with
21 intent and for the purpose of effecting settlement of claim
22 for loss or damage or benefit under such contract on less
23 favorable terms than those provided in and contemplated by the
24 contract.

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

27 (8) Demonstrated lack of reasonably adequate knowledge
28 and technical competence to engage in the transactions
29 authorized by the license or appointment.

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

1 (10) Misappropriation, conversion, or unlawful
2 withholding of moneys belonging to insurers or insureds or
3 beneficiaries or to others and received in conduct of business
4 under the license or appointment.

5 (11) Unlawfully rebating, attempting to unlawfully
6 rebate, or unlawfully dividing or offering to divide his or
7 her commission with another.

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

14 (13) Willful failure to comply with, or willful
15 violation of, any proper order or rule of the department,
16 ~~commission, or office~~ or willful violation of any provision of
17 this code.

18 (14) Having been found guilty of or having pleaded
19 guilty or nolo contendere to a felony or a crime punishable by
20 imprisonment of 1 year or more under the law of the United
21 States of America or of any state thereof or under the law of
22 any other country which involves moral turpitude, without
23 regard to whether a judgment of conviction has been entered by
24 the court having jurisdiction of such cases.

25 (15) Fraudulent or dishonest practice in submitting or
26 aiding or abetting any person in the submission of an
27 application for workers' compensation coverage under chapter
28 440 containing false or misleading information as to employee
29 payroll or classification for the purpose of avoiding or
30 reducing the amount of premium due for such coverage.

31

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

3 Section 45. Section 626.621, Florida Statutes, is
4 amended to read:

5 626.621 Grounds for discretionary refusal, suspension,
6 or revocation of agent's, adjuster's, customer
7 representative's, service representative's, or managing
8 general agent's license or appointment.--The department ~~or~~
9 ~~office~~ may, in its discretion, deny an application for,
10 suspend, revoke, or refuse to renew or continue the license or
11 appointment of any applicant, agent, adjuster, customer
12 representative, service representative, or managing general
13 agent, and it may suspend or revoke the eligibility to hold a
14 license or appointment of any such person, if it finds that as
15 to the applicant, licensee, or appointee any one or more of
16 the following applicable grounds exist under circumstances for
17 which such denial, suspension, revocation, or refusal is not
18 mandatory under s. 626.611:

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

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

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

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

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

1 (6) In the conduct of business under the license or
2 appointment, engaging in unfair methods of competition or in
3 unfair or deceptive acts or practices, as prohibited under
4 part IX of this chapter, or having otherwise shown himself or
5 herself to be a source of injury or loss to the public or
6 detrimental to the public interest.

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

9 (8) Having been found guilty of or having pleaded
10 guilty or nolo contendere to a felony or a crime punishable by
11 imprisonment of 1 year or more under the law of the United
12 States of America or of any state thereof or under the law of
13 any other country, without regard to whether a judgment of
14 conviction has been entered by the court having jurisdiction
15 of such cases.

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

17 (10) Cheating on an examination required for licensure
18 or violating test center or examination procedures published
19 orally, in writing, or electronically at the test site by
20 authorized representatives of the examination program
21 administrator. Communication of test center and examination
22 procedures must be clearly established and documented.

23 (11) Failure to inform the department ~~or office~~ in
24 writing within 30 days after pleading guilty or nolo
25 contendere to, or being convicted or found guilty of, any
26 felony or a crime punishable by imprisonment of 1 year or more
27 under the law of the United States or of any state thereof, or
28 under the law of any other country without regard to whether a
29 judgment of conviction has been entered by the court having
30 jurisdiction of the case.

31

1 (12) Knowingly aiding, assisting, procuring, advising,
2 or abetting any person in the violation of or to violate a
3 provision of the insurance code or any order or rule of the
4 department, commission, or office.

5 Section 46. Section 626.631, Florida Statutes, is
6 amended to read:

7 626.631 Procedure for refusal, suspension, or
8 revocation of license.--

9 (1) If any licensee is convicted by a court of a
10 violation of this code or a felony, the licenses and
11 appointments of such person shall be immediately revoked by
12 the department ~~or office~~. The licensee may subsequently
13 request a hearing pursuant to ss. 120.569 and 120.57, and the
14 department ~~or office~~ shall expedite any such requested
15 hearing. The sole issue at such hearing shall be whether the
16 revocation should be rescinded because such person was not in
17 fact convicted of a violation of this code or a felony.

18 (2) The papers, documents, reports, or evidence of the
19 department ~~or office~~ relative to a hearing for revocation or
20 suspension of a license or appointment pursuant to the
21 provisions of this chapter and chapter 120 are confidential
22 and exempt from the provisions of s. 119.07(1) until after the
23 same have been published at the hearing. However, such papers,
24 documents, reports, or items of evidence are subject to
25 discovery in a hearing for revocation or suspension of a
26 license or appointment.

27 Section 47. Subsections (1) and (2) of section
28 626.641, Florida Statutes, are amended to read:

29 626.641 Duration of suspension or revocation.--

30 (1) The department ~~or office~~ shall, in its order
31 suspending a license or appointment or in its order suspending

1 the eligibility of a person to hold or apply for such license
2 or appointment, specify the period during which the suspension
3 is to be in effect; but such period shall not exceed 2 years.
4 The license, appointment, or eligibility shall remain
5 suspended during the period so specified, subject, however, to
6 any rescission or modification of the order by the department
7 ~~or office~~, or modification or reversal thereof by the court,
8 prior to expiration of the suspension period. A license,
9 appointment, or eligibility which has been suspended shall not
10 be reinstated except upon request for such reinstatement; but
11 the department ~~or office~~ shall not grant such reinstatement if
12 it finds that the circumstance or circumstances for which the
13 license, appointment, or eligibility was suspended still exist
14 or are likely to recur.

15 (2) No person or appointee under any license or
16 appointment revoked by the department ~~or office~~, nor any
17 person whose eligibility to hold same has been revoked by the
18 department ~~or office~~, shall have the right to apply for
19 another license or appointment under this code within 2 years
20 from the effective date of such revocation or, if judicial
21 review of such revocation is sought, within 2 years from the
22 date of final court order or decree affirming the revocation.
23 The department ~~or office~~ shall not, however, grant a new
24 license or appointment or reinstate eligibility to hold such
25 license or appointment if it finds that the circumstance or
26 circumstances for which the eligibility was revoked or for
27 which the previous license or appointment was revoked still
28 exist or are likely to recur; if an individual's license as
29 agent or customer representative or eligibility to hold same
30 has been revoked upon the ground specified in s. 626.611(12),
31

1 the department ~~or office~~ shall refuse to grant or issue any
2 new license or appointment so applied for.

3 Section 48. Subsection (2) of section 626.661, Florida
4 Statutes, is amended to read:

5 626.661 Surrender of license.--

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

9 Section 49. Subsections (1) and (3) of section
10 626.681, Florida Statutes, are amended to read:

11 626.681 Administrative fine in lieu of or in addition
12 to suspension, revocation, or refusal of license, appointment,
13 or disapproval.--

14 (1) Except as to insurance agencies, if the department
15 ~~or office~~ finds that one or more grounds exist for the
16 suspension, revocation, or refusal to issue, renew, or
17 continue any license or appointment issued under this chapter,
18 or disapproval of a continuing education course provider,
19 instructor, school official, or monitor groups, the department
20 ~~or office~~ may, in its discretion, in lieu of or in addition to
21 such suspension or revocation, or in lieu of such refusal, or
22 disapproval, and except on a second offense or when such
23 suspension, revocation, or refusal is mandatory, impose upon
24 the licensee, appointee, course provider, instructor, school
25 official, or monitor group an administrative penalty in an
26 amount up to \$500 or, if the department ~~or office~~ has found
27 willful misconduct or willful violation on the part of the
28 licensee, appointee, course provider, instructor, school
29 official, or monitor group up to \$3,500. The administrative
30 penalty may, in the discretion of the department ~~or office~~, be
31 augmented by an amount equal to any commissions received by or

1 accruing to the credit of the licensee or appointee in
2 connection with any transaction as to which the grounds for
3 suspension, revocation, or refusal related.

4 (3) The department ~~or office~~ may allow the licensee,
5 appointee, or continuing education course provider,
6 instructor, school official, or monitor group a reasonable
7 period, not to exceed 30 days, within which to pay to the
8 department ~~or office~~ the amount of the penalty so imposed. If
9 the licensee, appointee, course provider, instructor, school
10 official, or monitor group fails to pay the penalty in its
11 entirety to the department ~~or office~~ within the period so
12 allowed, the license, appointments, approval, or status of
13 that person shall stand suspended or revoked or issuance,
14 renewal, or continuation shall be refused, as the case may be,
15 upon expiration of such period.

16 Section 50. Section 626.691, Florida Statutes, is
17 amended to read:

18 626.691 Probation.--

19 (1) If the department ~~or office~~ finds that one or more
20 grounds exist for the suspension, revocation, or refusal to
21 renew or continue any license or appointment issued under this
22 part, the department ~~or office~~ may, in its discretion, except
23 when an administrative fine is not permissible under s.
24 626.681 or when such suspension, revocation, or refusal is
25 mandatory, in lieu of or in addition to such suspension or
26 revocation, or in lieu of such refusal, or in connection with
27 any administrative monetary penalty imposed under s. 626.681,
28 place the offending licensee or appointee on probation for a
29 period, not to exceed 2 years, as specified by the department
30 ~~or office~~ in its order.

31

1 (2) As a condition to such probation or in connection
2 therewith, the department ~~or office~~ may specify in its order
3 reasonable terms and conditions to be fulfilled by the
4 probationer during the probation period. If during the
5 probation period the department ~~or office~~ has good cause to
6 believe that the probationer has violated a term or condition,
7 it shall suspend, revoke, or refuse to issue, renew, or
8 continue the license or appointment of the probationer, as
9 upon the original grounds referred to in subsection (1).

10 Section 51. Section 626.692, Florida Statutes, is
11 amended to read:

12 626.692 Restitution.--If any ground exists for the
13 suspension, revocation, or refusal of a license or
14 appointment, the department ~~or office~~ may, in addition to any
15 other penalty authorized under this chapter, order the
16 licensee to pay restitution to any person who has been
17 deprived of money by the licensee's misappropriation,
18 conversion, or unlawful withholding of moneys belonging to
19 insurers, insureds, beneficiaries, or others. In no instance
20 shall the amount of restitution required to be paid under this
21 section exceed the amount of money misappropriated, converted,
22 or unlawfully withheld. Nothing in this section limits or
23 restricts a person's right to seek other remedies as provided
24 for by law.

25 Section 52. Section 626.8582, Florida Statutes, is
26 amended to read:

27 626.8582 "Nonresident public adjuster" defined.--A
28 "nonresident public adjuster" is a person who:

29 (1) Is not a resident of this state;

30 (2) Is a currently licensed public adjuster in his or
31 her state of residence for the type or kinds of insurance for

1 | which the licensee intends to adjust claims in this state or,
2 | if a resident of a state that does not license public
3 | adjusters, has passed the department's ~~office's~~ adjuster
4 | examination as prescribed in s. 626.8732(1)(b); and

5 | (3) Is a self-employed public adjuster or associated
6 | with or employed by a public adjusting firm or other public
7 | adjuster.

8 | Section 53. Section 626.8584, Florida Statutes, is
9 | amended to read:

10 | 626.8584 "Nonresident independent adjuster"
11 | defined.--A "nonresident independent adjuster" is a person
12 | who:

13 | (1) Is not a resident of this state;

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

20 | (3) Is a self-employed independent adjuster or
21 | associated with or employed by an independent adjusting firm
22 | or other independent adjuster.

23 | Section 54. Section 626.859, Florida Statutes, is
24 | amended to read:

25 | 626.859 "Catastrophe" or "emergency" adjuster
26 | defined.--A "catastrophe" or "emergency" adjuster is a person
27 | who is not a licensed adjuster under this part, but who has
28 | been designated and certified to the department ~~office~~ by
29 | insurers as qualified to adjust claims, losses, or damages
30 | under policies or contracts of insurance issued by such
31 | insurer, and whom the department ~~office~~ may license, in the

1 event of a catastrophe or emergency, for the purposes and
2 under the conditions which the department ~~office~~ shall fix and
3 for the period of the emergency as the department ~~office~~ shall
4 determine, to adjust claims, losses, or damages under the
5 policies of insurance issued by the insurers.

6 Section 55. Subsection (2) of section 626.863, Florida
7 Statutes, is amended to read:

8 626.863 Licensed independent adjusters required;
9 insurers' responsibility.--

10 (2) Before referring any claim or loss, the insurer
11 shall ascertain from the department ~~office~~ whether the
12 proposed independent adjuster is currently licensed and
13 appointed as such. Having once ascertained that a particular
14 person is so licensed and appointed, the insurer may assume
15 that he or she will continue to be so licensed and appointed
16 until the insurer has knowledge, or receives information from
17 the department ~~office~~, to the contrary.

18 Section 56. Section 626.865, Florida Statutes, is
19 amended to read:

20 626.865 Public adjuster's qualifications, bond.--

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

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

26 (b) Is a United States citizen or legal alien who
27 possesses work authorization from the United States
28 Immigration and Naturalization Service and a bona fide
29 resident of this state.

30 (c) Is trustworthy and has such business reputation as
31 would reasonably assure that the applicant will conduct his or

1 her business as insurance adjuster fairly and in good faith
2 and without detriment to the public.

3 (d) Has had sufficient experience, training, or
4 instruction concerning the adjusting of damages or losses
5 under insurance contracts, other than life and annuity
6 contracts, is sufficiently informed as to the terms and
7 effects of the provisions of those types of insurance
8 contracts, and possesses adequate knowledge of the laws of
9 this state relating to such contracts as to enable and qualify
10 him or her to engage in the business of insurance adjuster
11 fairly and without injury to the public or any member thereof
12 with whom the applicant may have business as a public
13 adjuster.

14 (e) Has passed any required written examination.

15 (2) At the time of application for license as a public
16 adjuster, the applicant shall file with the department office
17 a bond executed and issued by a surety insurer authorized to
18 transact such business in this state, in the amount of
19 \$50,000, conditioned for the faithful performance of his or
20 her duties as a public adjuster under the license applied for.
21 The bond shall be in favor of the department office and shall
22 specifically authorize recovery by the department office of
23 the damages sustained in case the licensee is guilty of fraud
24 or unfair practices in connection with his or her business as
25 public adjuster. The aggregate liability of the surety for all
26 such damages shall in no event exceed the amount of the bond.
27 Such bond shall not be terminated unless at least 30 days'
28 written notice is given to the licensee and filed with the
29 department office.

30 Section 57. Section 626.866, Florida Statutes, is
31 amended to read:

1 626.866 Independent adjuster's qualifications.--The
2 department office shall issue a license to an applicant for an
3 independent adjuster's license upon determining that the
4 applicable license fee specified in s. 624.501 has been paid
5 and that the applicant possesses the following qualifications:

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

7 (2) Is a United States citizen or legal alien who
8 possesses work authorization from the United States
9 Immigration and Naturalization Service and a bona fide
10 resident of this state.

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

15 (4) Has had sufficient experience, training, or
16 instruction concerning the adjusting of damage or loss under
17 insurance contracts, other than life and annuity contracts, is
18 sufficiently informed as to the terms and the effects of the
19 provisions of such types of contracts, and possesses adequate
20 knowledge of the insurance laws of this state relating to such
21 contracts as to enable and qualify him or her to engage in the
22 business of insurance adjuster fairly and without injury to
23 the public or any member thereof with whom he or she may have
24 relations as an insurance adjuster and to adjust all claims in
25 accordance with the policy or contract and the insurance laws
26 of this state.

27 (5) Has passed any required written examination.

28 Section 58. Section 626.867, Florida Statutes, is
29 amended to read:

30 626.867 Company employee adjuster's
31 qualifications.--The department ~~office~~ shall issue a license

1 to an applicant for a company employee adjuster's license upon
2 determining that the applicable license fee specified in s.
3 624.501 has been paid and that the applicant possesses the
4 following qualifications:

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

6 (2) Is a United States citizen or legal alien who
7 possesses work authorization from the United States
8 Immigration and Naturalization Service and a bona fide
9 resident of this state.

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

14 (4) Has had sufficient experience, training, or
15 instruction concerning the adjusting of damage or loss of
16 risks described in his or her application, is sufficiently
17 informed as to the terms and the effects of the provisions of
18 insurance contracts covering such risks, and possesses
19 adequate knowledge of the insurance laws of this state
20 relating to such insurance contracts as to enable and qualify
21 him or her to engage in such business as insurance adjuster
22 fairly and without injury to the public or any member thereof
23 with whom he or she may have relations as an insurance
24 adjuster and to adjust all claims in accordance with the
25 policy or contract and the insurance laws of this state.

26 (5) Has passed any required written examination.

27 Section 59. Paragraph (c) of subsection (4) of section
28 626.869, Florida Statutes, is amended to read:

29 626.869 License, adjusters.--

30 (4)

31

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

4 Section 60. Subsections (1), (3), (5), (6), and (7) of
5 section 626.8695, Florida Statutes, are amended to read:

6 626.8695 Primary adjuster.--

7 (1) Each person operating an adjusting firm and each
8 location of a multiple location adjusting firm must designate
9 a primary adjuster for each such firm or location and must
10 file with the department ~~office~~ the name of such primary
11 adjuster and the address of the firm or location where he or
12 she is the primary adjuster, on a form approved by the
13 department ~~commission~~. The designation of the primary adjuster
14 may be changed at the option of the adjusting firm. Any such
15 change is effective upon notification to the department
16 ~~office~~. Notice of change must be sent to the department ~~office~~
17 within 30 days after such change.

18 (3) The department ~~office~~ may suspend or revoke the
19 license of the primary adjuster if the adjusting firm employs
20 any person who has had a license denied or any person whose
21 license is currently suspended or revoked. However, if a
22 person has been denied a license for failure to pass a
23 required examination, he or she may be employed to perform
24 clerical or administrative functions for which licensure is
25 not required.

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

29 (6) An adjusting firm location may not conduct the
30 business of insurance unless a primary adjuster is designated.
31 Failure of the person operating the adjusting firm to

1 designate a primary adjuster for the firm, or for each
2 location, as applicable, on a form prescribed by the
3 department ~~commission~~ within 30 days after inception of the
4 firm or change of primary adjuster designation, constitutes
5 grounds for requiring the adjusting firm to obtain an
6 adjusting firm license pursuant to s. 626.8696.

7 (7) Any adjusting firm may request, on a form
8 prescribed by the department ~~commission~~, verification from the
9 department ~~office~~ of any person's current licensure status.

10 If a request is mailed to the office within 5 working days
11 after the date an adjuster is hired, and the department ~~office~~
12 subsequently notifies the adjusting firm that an employee's
13 license is currently suspended, revoked, or has been denied,
14 the license of the primary adjuster shall not be revoked or
15 suspended if the unlicensed person is immediately dismissed
16 from employment as an adjuster with the firm.

17 Section 61. Paragraph (e) of subsection (1) and
18 subsection (5) of section 626.8696, Florida Statutes, are
19 amended to read:

20 626.8696 Application for adjusting firm license.--

21 (1) The application for an adjusting firm license must
22 include:

23 (e) Any additional information that ~~which~~ the
24 department ~~requires~~ ~~commission~~ ~~may~~ ~~require~~.

25 (5) An adjusting firm required to be licensed pursuant
26 to s. 626.8695 must remain so licensed for a period of 3 years
27 from the date of licensure, unless the license is suspended or
28 revoked. The department ~~office~~ may suspend or revoke the
29 adjusting firm's authority to do business for activities
30 occurring during the time the firm is licensed, regardless of
31 whether the licensing period has terminated.

1 Section 62. Subsections (1), (2), and (3) of section
2 626.8697, Florida Statutes, are amended to read:

3 626.8697 Grounds for refusal, suspension, or
4 revocation of adjusting firm license.--

5 (1) The department ~~office~~ shall deny, suspend, revoke,
6 or refuse to continue the license of any adjusting firm if it
7 finds, as to any adjusting firm or as to any majority owner,
8 partner, manager, director, officer, or other person who
9 manages or controls the firm, that any of the following
10 grounds exist:

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

13 (b) Material misstatement, misrepresentation, or fraud
14 in obtaining the license or in attempting to obtain the
15 license.

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

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

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

27 (c) Violation of any order or rule of the office or
28 commission.

29 (d) An owner, partner, manager, director, officer, or
30 other person who manages or controls the firm having been
31 found guilty of or having pleaded guilty or nolo contendere to

1 a felony or a crime punishable by imprisonment of 1 year or
2 more under the laws of the United States or of any state or
3 under the laws of any other country, without regard to whether
4 adjudication was made or withheld by the court.

5 (e) Failure to inform the department ~~office~~ in writing
6 within 30 days after a pleading by an owner, partner, manager,
7 director, officer, or other person managing or controlling the
8 firm of guilty or nolo contendere to, or being convicted or
9 found guilty of, any felony or a crime punishable by
10 imprisonment of 1 year or more under the laws of the United
11 States or of any state, or under the laws of any other
12 country, without regard to whether adjudication was made or
13 withheld by the court.

14 (f) Knowingly aiding, assisting, procuring, advising,
15 or abetting any person in the violation of or to violate a
16 provision of the insurance code or any order or rule of the
17 department, office, or commission.

18 (g) Knowingly employing any individual in a managerial
19 capacity or in a capacity dealing with the public who is under
20 an order of revocation or suspension issued by the department
21 ~~office~~.

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

25 1. Misappropriation, conversion, or unlawful or
26 unreasonable withholding of moneys belonging to insurers or
27 insureds or beneficiaries or claimants or to others and
28 received in the conduct of business under the license.

29 2. Misrepresentation or deception with regard to the
30 business of insurance, dissemination of information, or
31 advertising.

1 3. Demonstrated lack of fitness or trustworthiness to
2 engage in the business of insurance adjusting arising out of
3 activities related to insurance adjusting or the adjusting
4 firm.

5 (i) Failure to appoint a primary adjuster.

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

12 Section 63. Section 626.8698, Florida Statutes, is
13 amended to read:

14 626.8698 Disciplinary guidelines for public
15 adjusters.--The department ~~office~~ may deny, suspend, or revoke
16 the license of a public adjuster, and administer a fine not to
17 exceed \$5,000 per act, for any of the following:

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

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

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

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

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

1 (6) Violating any ethical rule of the department
2 ~~commission~~.

3 Section 64. Subsections (2) and (3) of section
4 626.870, Florida Statutes, are amended to read:

5 626.870 Application for license.--

6 (2) The department ~~commission~~ shall so prepare the
7 form of the application as to elicit and require from the
8 applicant the information necessary to enable the department
9 ~~office~~ to determine whether the applicant possesses the
10 qualifications prerequisite to issuance of the license to the
11 applicant.

12 (3) The department ~~commission~~ may, in its discretion,
13 require that the application be supplemented by the
14 certificate or affidavit of such person or persons as it deems
15 necessary for its determination of the applicant's residence,
16 business reputation, and reputation for trustworthiness. The
17 department ~~commission~~ shall prescribe and ~~the office~~ may
18 furnish the forms for such certificates and affidavits.

19 Section 65. Section 626.871, Florida Statutes, is
20 amended to read:

21 626.871 Reappointment after military service.--The
22 department ~~office~~ may, without requiring a further written
23 examination, issue an appointment as an adjuster to a formerly
24 licensed and appointed adjuster of this state who held a
25 current adjuster's appointment at the time of entering service
26 in the Armed Forces of the United States, subject to the
27 following conditions:

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

30 (2) The application for the appointment must be filed
31 with the department ~~office~~ and the applicable fee paid, within

1 12 months following the date of honorable discharge of the
2 applicant from the military service; and

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

9 Section 66. Subsections (1) and (5) of section
10 626.872, Florida Statutes, are amended to read:

11 626.872 Temporary license.--

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

16 (a) The applicant must be an employee of an adjuster
17 currently licensed by the department ~~office~~, an employee of an
18 authorized insurer, or an employee of an established adjusting
19 firm or corporation which is supervised by a currently
20 licensed independent adjuster.

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

25 (c) The applicant must be a natural person of at least
26 18 years of age, must be a bona fide resident of this state,
27 must be trustworthy, and must have such business reputation as
28 would reasonably assure that the applicant will conduct his or
29 her business as an adjuster fairly and in good faith and
30 without detriment to the public.

31

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

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

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

11 (5) The department office shall not issue a temporary
12 license as an independent adjuster or as a company employee
13 adjuster to any individual who has ever held such a license in
14 this state.

15 Section 67. Subsection (1) of section 626.873, Florida
16 Statutes, is amended to read:

17 626.873 Nonresident company employee adjusters.--

18 (1) The department office shall, upon application
19 therefor, issue a license to an applicant for a nonresident
20 adjuster's license upon determining that the applicant has
21 paid the applicable license fees required under s. 624.501
22 and:

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

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

28 (c) Has filed a certificate or letter of authorization
29 from the insurance department of his or her home state, if
30 such state requires an adjuster to be licensed, stating that
31 he or she holds a current license or authorization to adjust

1 insurance losses. Such certificate or authorization must be
2 signed by the insurance commissioner, or his or her deputy, of
3 the adjuster's home state and must reflect whether or not the
4 adjuster has ever had his or her license or authorization in
5 the adjuster's home state suspended or revoked and, if such is
6 the case, the reason for such action.

7 Section 68. Section 626.8732, Florida Statutes, is
8 amended to read:

9 626.8732 Nonresident public adjuster's qualifications,
10 bond.--

11 (1) The department ~~office~~ shall, upon application
12 therefor, issue a license to an applicant for a nonresident
13 public adjuster's license upon determining that the applicant
14 has paid the applicable license fees required under s. 624.501
15 and:

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

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

22 1. An applicant who is licensed as a resident public
23 adjuster in his or her state of residence, when that state
24 requires the passing of a written examination in order to
25 obtain the license and a reciprocal agreement with the
26 appropriate official of that state has been entered into by
27 the department ~~office~~; or

28 2. An applicant who is licensed as a nonresident
29 public adjuster in a state other than his or her state of
30 residence when the state of licensure requires the passing of
31 a written examination in order to obtain the license and a

1 reciprocal agreement with the appropriate official of the
2 state of licensure has been entered into by the department
3 ~~office~~.

4 (c) Is self-employed as a public adjuster or
5 associated with or employed by a public adjusting firm or
6 other public adjuster. Applicants licensed as nonresident
7 public adjusters under this section must be appointed as such
8 in accordance with the provisions of ss. 626.112 and 626.451.
9 Appointment fees in the amount specified in s. 624.501 must be
10 paid to the department ~~office~~ in advance. The appointment of a
11 nonresident public adjuster shall continue in force until
12 suspended, revoked, or otherwise terminated, but subject to
13 biennial renewal or continuation by the licensee in accordance
14 with procedures prescribed in s. 626.381 for licensees in
15 general.

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

20 (e) Has had sufficient experience, training, or
21 instruction concerning the adjusting of damages or losses
22 under insurance contracts, other than life and annuity
23 contracts; is sufficiently informed as to the terms and
24 effects of the provisions of those types of insurance
25 contracts; and possesses adequate knowledge of the laws of
26 this state relating to such contracts as to enable and qualify
27 him or her to engage in the business of insurance adjuster
28 fairly and without injury to the public or any member thereof
29 with whom he or she may have business as a public adjuster.

30 (2) The applicant shall furnish the following with his
31 or her application:

1 (a) A complete set of his or her fingerprints. The
2 applicant's fingerprints must be certified by an authorized
3 law enforcement officer. The department ~~office~~ may not
4 authorize an applicant to take the required examination or
5 issue a nonresident public adjuster's license to the applicant
6 until the department ~~office~~ has received a report from the
7 Florida Department of Law Enforcement and the Federal Bureau
8 of Investigation relative to the existence or nonexistence of
9 a criminal history report based on the applicant's
10 fingerprints.

11 (b) If currently licensed as a resident public
12 adjuster in the applicant's state of residence, a certificate
13 or letter of authorization from the licensing authority of the
14 applicant's state of residence, stating that the applicant
15 holds a current or comparable license to act as a public
16 adjuster. The certificate or letter of authorization must be
17 signed by the insurance commissioner or his or her deputy or
18 the appropriate licensing official and must disclose whether
19 the adjuster has ever had any license or eligibility to hold
20 any license declined, denied, suspended, revoked, or placed on
21 probation or whether an administrative fine or penalty has
22 been levied against the adjuster and, if so, the reason for
23 the action.

24 (c) If the applicant's state of residence does not
25 require licensure as a public adjuster and the applicant has
26 been licensed as a resident insurance adjuster, agent, broker,
27 or other insurance representative in his or her state of
28 residence or any other state within the past 3 years, a
29 certificate or letter of authorization from the licensing
30 authority stating that the applicant holds or has held a
31 license to act as such an insurance adjuster, agent, or other

1 insurance representative. The certificate or letter of
2 authorization must be signed by the insurance commissioner or
3 his or her deputy or the appropriate licensing official and
4 must disclose whether or not the adjuster, agent, or other
5 insurance representative has ever had any license or
6 eligibility to hold any license declined, denied, suspended,
7 revoked, or placed on probation or whether an administrative
8 fine or penalty has been levied against the adjuster and, if
9 so, the reason for the action.

10 (3) At the time of application for license as a
11 nonresident public adjuster, the applicant shall file with the
12 department office a bond executed and issued by a surety
13 insurer authorized to transact surety business in this state,
14 in the amount of \$50,000, conditioned for the faithful
15 performance of his or her duties as a nonresident public
16 adjuster under the license applied for. The bond must be in
17 favor of the department office and must specifically authorize
18 recovery by the department office of the damages sustained if
19 the licensee commits fraud or unfair practices in connection
20 with his or her business as nonresident public adjuster. The
21 aggregate liability of the surety for all the damages may not
22 exceed the amount of the bond. The bond may not be terminated
23 unless at least 30 days' written notice is given to the
24 licensee and filed with the department office.

25 (4) The usual and customary records pertaining to
26 transactions under the license of a nonresident public
27 adjuster must be retained for at least 3 years after
28 completion of the adjustment and must be made available in
29 this state to the department office upon request. The failure
30 of a nonresident public adjuster to properly maintain records
31 and make them available to the department office upon request

1 constitutes grounds for the immediate suspension of the
2 license issued under this section.

3 (5) After licensure as a nonresident public adjuster,
4 as a condition of doing business in this state, the licensee
5 must annually on or before January 1, on a form prescribed by
6 the department ~~commission~~, submit an affidavit certifying that
7 the licensee is familiar with and understands the insurance
8 code and rules adopted thereunder and the provisions of the
9 contracts negotiated or to be negotiated. Compliance with this
10 filing requirement is a condition precedent to the issuance,
11 continuation, reinstatement, or renewal of a nonresident
12 public adjuster's appointment.

13 Section 69. Subsections (1), (3), and (4) of section
14 626.8734, Florida Statutes, are amended to read:

15 626.8734 Nonresident independent adjuster's
16 qualifications.--

17 (1) The department ~~office~~ shall, upon application
18 therefor, issue a license to an applicant for a nonresident
19 independent adjuster's license upon determining that the
20 applicant has paid the applicable license fees required under
21 s. 624.501 and:

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

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

28 1. An applicant who is licensed as a resident
29 independent adjuster in his or her state of residence when
30 that state requires the passing of a written examination in
31 order to obtain the license and a reciprocal agreement with

1 the appropriate official of that state has been entered into
2 by the department office; or

3 2. An applicant who is licensed as a nonresident
4 independent adjuster in a state other than his or her state of
5 residence when the state of licensure requires the passing of
6 a written examination in order to obtain the license and a
7 reciprocal agreement with the appropriate official of the
8 state of licensure has been entered into by the department
9 office.

10 (c) Is self-employed or associated with or employed by
11 an independent adjusting firm or other independent adjuster.
12 Applicants licensed as nonresident independent adjusters under
13 this section must be appointed as such in accordance with the
14 provisions of ss. 626.112 and 626.451. Appointment fees in the
15 amount specified in s. 624.501 must be paid to the department
16 office in advance. The appointment of a nonresident
17 independent adjuster shall continue in force until suspended,
18 revoked, or otherwise terminated, but subject to biennial
19 renewal or continuation by the licensee in accordance with
20 procedures prescribed in s. 626.381 for licensees in general.

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

25 (e) Has had sufficient experience, training, or
26 instruction concerning the adjusting of damages or losses
27 under insurance contracts, other than life and annuity
28 contracts; is sufficiently informed as to the terms and
29 effects of the provisions of those types of insurance
30 contracts; and possesses adequate knowledge of the laws of
31 this state relating to such contracts as to enable and qualify

1 him or her to engage in the business of insurance adjuster
2 fairly and without injury to the public or any member thereof
3 with whom he or she may have business as an independent
4 adjuster.

5 (3) The usual and customary records pertaining to
6 transactions under the license of a nonresident independent
7 adjuster must be retained for at least 3 years after
8 completion of the adjustment and must be made available in
9 this state to the department ~~office~~ upon request. The failure
10 of a nonresident independent adjuster to properly maintain
11 records and make them available to the department ~~office~~ upon
12 request constitutes grounds for the immediate suspension of
13 the license issued under this section.

14 (4) After licensure as a nonresident independent
15 adjuster, as a condition of doing business in this state, the
16 licensee must annually on or before January 1, on a form
17 prescribed by the department ~~commission~~, submit an affidavit
18 certifying that the licensee is familiar with and understands
19 the insurance laws and administrative rules of this state and
20 the provisions of the contracts negotiated or to be
21 negotiated. Compliance with this filing requirement is a
22 condition precedent to the issuance, continuation,
23 reinstatement, or renewal of a nonresident independent
24 adjuster's appointment.

25 Section 70. Subsection (4) of section 626.8736,
26 Florida Statutes, is amended to read:

27 626.8736 Nonresident independent or public adjusters;
28 service of process.--

29 (4) Upon receiving the service, the Chief Financial
30 Officer shall forthwith send one of the copies of the process,
31 by registered mail with return receipt requested, to the

1 defendant nonresident independent or public adjuster at his or
2 her last address of record with the department office.

3 Section 71. Section 626.8738, is amended to read:

4 626.8738 Penalty for violation.--In addition to any
5 other remedy imposed pursuant to this code, any person who
6 acts as a resident or nonresident public adjuster or holds
7 himself or herself out to be a public adjuster to adjust
8 claims in this state, without being licensed by the department
9 office as a public adjuster and appointed as a public
10 adjuster, commits a felony of the third degree, punishable as
11 provided in s. 775.082, s. 775.083, or s. 775.084. Each act in
12 violation of this section constitutes a separate offense.

13 Section 72. Section 626.874, Florida Statutes, is
14 amended to read:

15 626.874 Catastrophe or emergency adjusters.--

16 (1) In the event of a catastrophe or emergency, the
17 department office may issue a license, for the purposes and
18 under the conditions which it shall fix and for the period of
19 emergency as it shall determine, to persons who are residents
20 or nonresidents of this state, who are at least 18 years of
21 age, who are United States citizens or legal aliens who
22 possess work authorization from the United States Immigration
23 and Naturalization Service, and who are not licensed adjusters
24 under this part but who have been designated and certified to
25 it as qualified to act as adjusters by independent resident
26 adjusters or by an authorized insurer or by a licensed general
27 lines agent to adjust claims, losses, or damages under
28 policies or contracts of insurance issued by such insurers.
29 The fee for the license shall be as provided in s.
30 624.501(12)(c).

31

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

10 Section 73. Section 626.878, Florida Statutes, is
11 amended to read:

12 626.878 Rules; code of ethics.--An adjuster shall
13 subscribe to the code of ethics specified in the rules of the
14 department ~~commission~~. The rules shall implement the
15 provisions of this part and specify the terms and conditions
16 of contracts, including a right to cancel, and require
17 practices necessary to ensure fair dealing, prohibit conflicts
18 of interest, and ensure preservation of the rights of the
19 claimant to participate in the adjustment of claims.

20 Section 74. Section 627.7012, Florida Statutes, is
21 transferred, renumbered as section 626.879, Florida Statutes,
22 and amended to read:

23 ~~626.879~~627.7012 Pools of insurance adjusters.--The
24 department ~~commission~~ may, by rule, establish a pool of
25 qualified insurance adjusters. The rules must provide that, if
26 a hurricane occurs or an emergency is declared, the department
27 ~~office~~ may assign members of the pool to the affected area and
28 that an insurer may request that a member of the pool adjust
29 claims in the assigned area. The rules may not require that an
30 insurer use those adjusters assigned by the department ~~office~~.

31

1 Section 75. Subsection (3) of section 626.9543,
2 Florida Statutes, is amended to read:

3 626.9543 Holocaust victims.--

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

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

6 (a)~~(b)~~ "Holocaust victim" means any person who lost
7 his or her life or property as a result of discriminatory
8 laws, policies, or actions targeted against discrete groups of
9 persons between 1920 and 1945, inclusive, in Nazi Germany,
10 areas occupied by Nazi Germany, or countries allied with Nazi
11 Germany.

12 (b)~~(c)~~ "Insurance policy" means, but is not limited
13 to, life insurance, property insurance, or education policies.

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

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

21 Section 76. Paragraphs (c), (e), and (f) of subsection
22 (9) of section 626.989, Florida Statutes, are amended to read:

23 626.989 Investigation by department or Division of
24 Insurance Fraud; compliance; immunity; confidential
25 information; reports to division; division investigator's
26 power of arrest.--

27 (9) In recognition of the complementary roles of
28 investigating instances of workers' compensation fraud and
29 enforcing compliance with the workers' compensation coverage
30 requirements under chapter 440, the Department of Financial
31 Services shall prepare and submit a joint performance report

1 to the President of the Senate and the Speaker of the House of
2 Representatives by November 1, 2003, and then by January 1 of
3 each year. The annual report must include, but need not be
4 limited to:

5 (c) The number of investigations undertaken by the
6 Bureau of Workers' Compensation Insurance Fraud ~~office~~ which
7 were not the result of a referral from an insurer or the
8 Division of Workers' Compensation.

9 (e) The number and reasons provided by local
10 prosecutors or the statewide prosecutor for declining
11 prosecution of a case presented by the Bureau of Workers'
12 Compensation Insurance Fraud ~~office~~ by circuit.

13 (f) The total number of employees assigned to the
14 Bureau of Workers' Compensation Insurance Fraud ~~office~~ and the
15 Division of Workers' Compensation Bureau of Compliance ~~unit~~
16 delineated by location of staff assigned; and the number and
17 location of employees assigned to the Bureau of Workers'
18 Compensation Insurance Fraud ~~office~~ who were assigned to work
19 other types of fraud cases.

20 Section 77. Subsection (2) of section 627.0628,
21 Florida Statutes, is amended to read:

22 627.0628 Florida Commission on Hurricane Loss
23 Projection Methodology.--

24 (2) COMMISSION CREATED.--

25 (a) There is created the Florida Commission on
26 Hurricane Loss Projection Methodology, which is assigned to
27 the State Board of Administration. For the purposes of this
28 section, the term "commission" means the Florida Commission on
29 Hurricane Loss Projection Methodology. The commission shall be
30 administratively housed within the State Board of

31

1 Administration, but it shall independently exercise the powers
2 and duties specified in this section.

3 (b) The commission shall consist of the following 11
4 members:

5 1. The insurance consumer advocate.

6 2. The senior employee of the State Board of
7 Administration responsible for operations of the Florida
8 Hurricane Catastrophe Fund.

9 3. The Executive Director of the Citizens Property
10 Insurance Corporation.

11 4. The Director of the Division of Emergency
12 Management of the Department of Community Affairs.

13 5. The actuary member of the Florida Hurricane
14 Catastrophe Fund Advisory Council.

15 6. An employee of the office who is an actuary
16 responsible for property insurance rate filings and who is
17 appointed by the director of the office.

18 ~~7.6. Five Six~~ members appointed by the Chief Financial
19 Officer, as follows:

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

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

27 ~~b.c.~~ An expert in insurance finance who is a full time
28 member of the faculty of the State University System and who
29 has a background in actuarial science.

30
31

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

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

6 ~~e.f.~~ An expert in meteorology who is a full time
7 member of the faculty of the State University System and who
8 specializes in hurricanes.

9 (c) Members designated under subparagraphs (b)1.-5.
10 shall serve on the commission as long as they maintain the
11 respective offices designated in subparagraphs (b)1.-5. The
12 member appointed by the director of the office under
13 subparagraph (b)6. shall serve on the commission until the end
14 of the term of office of the director who appointed him or
15 her, unless removed earlier by the director for cause. Members
16 appointed by the Chief Financial Officer under subparagraph
17 ~~(b)7.~~ ~~subparagraph (b)6.~~ shall serve on the commission until
18 the end of the term of office of the Chief Financial Officer
19 who appointed them, unless earlier removed by the Chief
20 Financial Officer for cause. Vacancies on the commission
21 shall be filled in the same manner as the original
22 appointment.

23 (d) The State Board of Administration shall annually
24 appoint one of the members of the commission to serve as
25 chair.

26 (e) Members of the commission shall serve without
27 compensation, but shall be reimbursed for per diem and travel
28 expenses pursuant to s. 112.061.

29 (f) The State Board of Administration shall, as a cost
30 of administration of the Florida Hurricane Catastrophe Fund,
31

1 provide for travel, expenses, and staff support for the
2 commission.

3 (g) There shall be no liability on the part of, and no
4 cause of action of any nature shall arise against, any member
5 of the commission, any member of the State Board of
6 Administration, or any employee of the State Board of
7 Administration for any action taken in the performance of
8 their duties under this section. In addition, the commission
9 may, in writing, waive any potential cause of action for
10 negligence of a consultant, contractor, or contract employee
11 engaged to assist the commission.

12 Section 78. Paragraph (b) of subsection (11) of
13 section 627.6699, Florida Statutes, is amended to read:

14 627.6699 Employee Health Care Access Act.--

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

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

18 2. Effective upon this act becoming a law, the board
19 shall consist of the director of the office ~~Chief Financial~~
20 ~~Officer~~ or his or her designee, who shall serve as the
21 chairperson, and 13 additional members who are representatives
22 of carriers and insurance agents and are appointed by the
23 director of the office ~~Chief Financial Officer~~ and serve as
24 follows:

25 a. The director of the office ~~Chief Financial Officer~~
26 shall include representatives of small employer carriers
27 subject to assessment under this subsection. If two or more
28 carriers elect to be risk-assuming carriers, the membership
29 must include at least two representatives of risk-assuming
30 carriers; if one carrier is risk-assuming, one member must be
31 a representative of such carrier. At least one member must be

1 a carrier who is subject to the assessments, but is not a
2 small employer carrier. Subject to such restrictions, at
3 least five members shall be selected from individuals
4 recommended by small employer carriers pursuant to procedures
5 provided by rule of the commission. Three members shall be
6 selected from a list of health insurance carriers that issue
7 individual health insurance policies. At least two of the
8 three members selected must be reinsuring carriers. Two
9 members shall be selected from a list of insurance agents who
10 are actively engaged in the sale of health insurance.

11 b. A member appointed under this subparagraph shall
12 serve a term of 4 years and shall continue in office until the
13 member's successor takes office, except that, in order to
14 provide for staggered terms, the director of the office ~~Chief~~
15 ~~Financial Officer~~ shall designate two of the initial
16 appointees under this subparagraph to serve terms of 2 years
17 and shall designate three of the initial appointees under this
18 subparagraph to serve terms of 3 years.

19 3. The director of the office ~~Chief Financial Officer~~
20 may remove a member for cause.

21 4. Vacancies on the board shall be filled in the same
22 manner as the original appointment for the unexpired portion
23 of the term.

24 5. The director of the office ~~Chief Financial Officer~~
25 may require an entity that recommends persons for appointment
26 to submit additional lists of recommended appointees.

27 Section 79. The transfer of the regulation of
28 adjusters from the Office of Insurance Regulation to the
29 Department of Financial Services by this act shall not affect
30 the regulation of adjusters in any administrative or judicial
31 action of the Office of Insurance Regulation arising out of or

1 involving the Office of Insurance Regulation before or pending
2 on the effective date of this act, and the Department of
3 Financial Services shall be substituted as a party in interest
4 on any such pending action.

5 Section 80. Any license, form, or action that was
6 approved or authorized by the Financial Services Commission or
7 the Office of Insurance Regulation which was otherwise
8 lawfully in use before the effective date of this act may
9 continue to be used or be effective as originally authorized
10 or permitted, until the Department of Financial Services
11 otherwise prescribes.

12 Section 81. Upon the effective date of this act, the
13 rules or portions thereof of the Financial Services Commission
14 which govern the regulation of insurance adjusters shall
15 become rules or portions thereof of the Department of
16 Financial Services as is appropriate to the corresponding
17 regulatory or constitutional function and shall remain in
18 effect until specifically amended or repealed in the manner
19 provided by law.

20 Section 82. This act shall take effect July 1, 2004.
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1 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
2 COMMITTEE SUBSTITUTE FOR
3 Senate Bill 2994

4 Specifies that Chief Financial Officer (CFO) may invest funds
5 of boards and entities created by the State Constitution or by
6 law, as well as statutorily-created boards and entities.

6 Provides that the Director of the Office of Insurance
7 Regulation may also be known as the "Commissioner of Insurance
8 Regulation" and that the Director of the Office of Financial
9 Regulation may also be known as the "Commissioner of Financial
10 Regulation."

9 Clarifies that the Treasury may use reverse repurchase
10 agreements in investment transactions, as well as repurchase
11 agreements.

11 Clarifies how the Chief Financial Officer administers a
12 collateral management service for state agencies, counties and
13 cities. Specifies the ways collateral may be deposited or
14 pledged to the CFO, provides rulemaking authority to the CFO,
15 and allows for the CFO to specify fees in the service-level
16 agreement.

15 Clarifies that the Government Employee's Deferred Compensation
16 Program is funded in whole or in part from fees charged by
17 investment providers that may be recouped from plan
18 participants.

17 Requires every state agency to deposit in the State Treasury
18 the proceeds from any claim brought on behalf of the state,
19 unless the proceeds are for restitution, in which case the
20 funds are to be promptly transmitted to the intended
21 beneficiaries.

20 Adds the Commissioner of Agriculture to the Financial
21 Management Information Board and to the board's coordinating
22 council, which jointly plan and implement the integration and
23 coordination of the state's administrative and financial
24 management information systems.

23 Extends the sunset date for the Enterprise Resource Planning
24 Integration Task Force from July 1, 2004 to July 1, 2008.

24 Allows for a centralized financing process under the CFO for
25 the financing of Guaranteed Energy Performance Savings
26 Contracts, similar to the process currently used in the
27 Consolidated Equipment Financing Program.

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