

By the Committees on Appropriations; Banking and Insurance;
and Senator Posey

309-2673-04

1 A bill to be entitled
2 An act relating to the Department of Financial
3 Services; creating s. 17.0416, F.S.;
4 authorizing the Chief Financial Officer to
5 provide certain services on a fee basis under
6 certain circumstances; requiring the Department
7 of Financial Services to deposit fees collected
8 into the General Revenue Fund; authorizing the
9 department to recover expenses by a budget
10 amendment; authorizing the department to adopt
11 rules; amending s. 17.16, F.S.; providing that
12 the office of the Chief Financial Officer may
13 have an official seal; amending s. 17.57, F.S.;
14 authorizing the Chief Financial Officer to use
15 reverse repurchase agreements in investment
16 transactions; amending s. 17.59, F.S.; revising
17 collateral safekeeping requirements; amending
18 s. 17.61, F.S.; authorizing entities created
19 under the State Constitution to invest funds;
20 amending s. 20.121, F.S.; providing that the
21 Chief Financial Officer may be referred to as
22 the "Treasurer"; providing that the Department
23 of Financial Services, rather than the Office
24 of Insurance Regulation, is responsible for
25 regulation of insurance adjusters; providing
26 that the Director of the Office of Insurance
27 Regulation may be known as the Commissioner of
28 Insurance Regulation; providing that the
29 Director of the Office of Financial Regulation
30 may be known as the Commissioner of Financial
31 Regulation; amending s. 110.1227, F.S.;

1 providing that the Director of the Office of
2 Insurance Regulation, rather than the Chief
3 Financial Officer, shall appoint an actuary to
4 the Florida Employee Long-Term-Care Plan Board
5 of Directors; amending s. 112.215, F.S.;
6 redefining the term "employee" to include any
7 state university board of trustees; providing
8 for the Government Employees' Deferred
9 Compensation Plan to be funded indirectly from
10 fees charged by investment providers to plan
11 participants; replacing the term "plan
12 provider" with the term "investment option
13 provider"; amending s. 215.95, F.S.; revising
14 the membership of the Florida Financial
15 Management Information Board; amending s.
16 215.96, F.S.; revising the membership of the
17 coordinating council to the Florida Financial
18 Management Information Board; extending the
19 date of future repeal of the law requiring the
20 board to facilitate the integration of certain
21 administrative and financial management systems
22 and establishing the Enterprise Resource
23 Planning Integration Task Force; amending s.
24 287.064, F.S.; authorizing the financing of a
25 guaranteed energy performance savings contract
26 pursuant to a master equipment financing
27 agreement; providing certain terms and
28 restrictions; amending s. 408.05, F.S.;
29 providing that the Director of the Office of
30 Insurance Regulation, rather than the Chief
31 Financial Officer, shall appoint an employee to

1 the State Comprehensive Health Information
2 System Advisory Council; amending s. 501.212,
3 F.S.; specifying persons, causes of action, or
4 activities that are exempt from part II of
5 chapter 501, F.S., the Deceptive and Unfair
6 Trade Practice Act; amending s. 516.35, F.S.;
7 correcting a reference to the agency that
8 licenses the sale of credit insurance; amending
9 ss. 624.313, 624.317, 624.501, 626.016,
10 626.112, 626.161, 626.171, 626.181, 626.191,
11 626.211, 626.221, 626.231, 626.241, 626.251,
12 626.261, 626.266, 626.271, 626.281, 626.2817,
13 626.291, 626.301, 626.371, 626.381, 626.431,
14 626.461, 626.471, 626.521, 626.541, 626.551,
15 626.611, 626.621, 626.631, 626.641, 626.661,
16 626.681, 626.691, 626.692, 626.8582, 626.8584,
17 626.859, 626.863, 626.865, 626.866, 626.867,
18 626.869, 626.8695, 626.8696, 626.8697,
19 626.8698, 626.870, 626.871, 626.872, 626.873,
20 626.8732, 626.8734, 626.8736, 626.8738,
21 626.874, 626.878, F.S.; transferring and
22 renumbering s. 627.7012, F.S., as s. 626.879,
23 F.S., and amending such section; making
24 conforming changes to authorize the Department
25 of Financial Services, rather than the Office
26 of Insurance Regulation, to regulate insurance
27 adjusters; amending s. 626.9543, F.S.;
28 specifying that the Department of Financial
29 Services, rather than the former Department of
30 Insurance, administers the Holocaust Victims
31 Insurance Act; amending s. 626.989, F.S.;

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

31

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

2

3 Section 1. Section 17.0416, Florida Statutes, is
4 created to read:

5 17.0416 Authority to provide services on a fee
6 basis.--

7 (1) The Chief Financial Officer, through the
8 Department of Financial Services, may provide accounting and
9 payroll services on a fee basis under contractual agreement
10 with eligible entities, including, but not limited to, state
11 universities, community colleges, units of local government,
12 constitutional officers, and any other person or entity having
13 received any property, funds, or moneys from the state. All
14 funds collected by the department under these contracts shall
15 be deposited into the General Revenue Fund. The department
16 shall request a budget amendment from the Legislative
17 Budgeting Committee to recover the expenses incurred by the
18 department in providing services under these contracts.

19 (2) The Department of Financial Services may adopt
20 rules necessary to administer this section.

21 Section 2. Section 17.16, Florida Statutes, is amended
22 to read:

23 17.16 Seal.--~~The seal of office of the Chief Financial~~
24 Officer shall have an official seal by which its proceedings
25 are authenticated ~~be the same as the seal heretofore used for~~
26 ~~that purpose.~~

27 Section 3. Subsection (2) of section 17.57, Florida
28 Statutes, is amended to read:

29 17.57 Deposits and investments of state money.--

30 (2) The Chief Financial Officer shall make funds
31 available to meet the disbursement needs of the state. Funds

1 | which are not needed for this purpose shall be placed in
2 | qualified public depositories that will pay rates established
3 | by the Chief Financial Officer at levels not less than the
4 | prevailing rate for United States Treasury securities with a
5 | corresponding maturity. In the event money is available for
6 | interest-bearing time deposits or savings accounts as provided
7 | herein and qualified public depositories are unwilling to
8 | accept such money and pay thereon the rates established above,
9 | then such money which qualified public depositories are
10 | unwilling to accept shall be invested in:

11 | (a) Direct United States Treasury obligations.

12 | (b) Obligations of the Federal Farm Credit Banks.

13 | (c) Obligations of the Federal Home Loan Bank and its
14 | district banks.

15 | (d) Obligations of the Federal Home Loan Mortgage
16 | Corporation, including participation certificates.

17 | (e) Obligations guaranteed by the Government National
18 | Mortgage Association.

19 | (f) Obligations of the Federal National Mortgage
20 | Association.

21 | (g) Commercial paper of prime quality of the highest
22 | letter and numerical rating as provided for by at least one
23 | nationally recognized rating service.

24 | (h) Time drafts or bills of exchange drawn on and
25 | accepted by a commercial bank, otherwise known as "bankers
26 | acceptances," which are accepted by a member bank of the
27 | Federal Reserve System having total deposits of not less than
28 | \$400 million or which are accepted by a commercial bank which
29 | is not a member of the Federal Reserve System with deposits of
30 | not less than \$400 million and which is licensed by a state
31 | government or the Federal Government, and whose senior debt

1 | issues are rated in one of the two highest rating categories
2 | by a nationally recognized rating service and which are held
3 | in custody by a domestic bank which is a member of the Federal
4 | Reserve System.

5 | (i) Corporate obligations or corporate master notes of
6 | any corporation within the United States, if the long-term
7 | obligations of such corporation are rated by at least two
8 | nationally recognized rating services in any one of the four
9 | highest classifications. However, if such obligations are
10 | rated by only one nationally recognized rating service, then
11 | the obligations shall be rated in any one of the two highest
12 | classifications.

13 | (j) Obligations of the Student Loan Marketing
14 | Association.

15 | (k) Obligations of the Resolution Funding Corporation.

16 | (l) Asset-backed or mortgage-backed securities of the
17 | highest credit quality.

18 | (m) Any obligations not previously listed which are
19 | guaranteed as to principal and interest by the full faith and
20 | credit of the United States Government or are obligations of
21 | United States agencies or instrumentalities which are rated in
22 | the highest category by a nationally recognized rating
23 | service.

24 | (n) Commingled no-load investment funds or no-load
25 | mutual funds in which all securities held by the funds are
26 | authorized in this subsection.

27 | (o) Money market mutual funds as defined and regulated
28 | by the Securities and Exchange Commission.

29 | (p) Obligations of state and local governments rated
30 | in any of the four highest classifications by at least two
31 | nationally recognized rating services. However, if such

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

4 (q) Derivatives of investment instruments authorized
5 in paragraphs (a)-(m).

6 (r) Covered put and call options on investment
7 instruments authorized in this subsection for the purpose of
8 hedging transactions by investment managers to mitigate risk
9 or to facilitate portfolio management.

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

15 (t) Foreign bonds denominated in United States dollars
16 and registered with the Securities and Exchange Commission for
17 sale in the United States, if the long-term obligations of
18 such issuers are rated by at least two nationally recognized
19 rating services in any one of the four highest
20 classifications. However, if such obligations are rated by
21 only one nationally recognized rating service, the obligations
22 shall be rated in any one of the two highest classifications.

23 (u) Convertible debt obligations of any corporation
24 domiciled within the United States, if the convertible debt
25 issue is rated by at least two nationally recognized rating
26 services in any one of the four highest classifications.
27 However, if such obligations are rated by only one nationally
28 recognized rating service, then the obligations shall be rated
29 in any one of the two highest classifications.

30 (v) Securities not otherwise described in this
31 subsection. However, not more than 3 percent of the funds

1 under the control of the Chief Financial Officer shall be
2 invested in securities described in this paragraph.

3
4 These investments may be in varying maturities and may be in
5 book-entry form. Investments made pursuant to this subsection
6 may be under repurchase agreement or reverse repurchase
7 agreement. The Chief Financial Officer may hire registered
8 investment advisers and other consultants to assist in
9 investment management and to pay fees directly from investment
10 earnings. Investment securities, proprietary investment
11 services related to contracts, performance evaluation
12 services, investment-related equipment or software used
13 directly to assist investment trading or investment accounting
14 operations including bond calculators, telerates, Bloomborgs,
15 special program calculators, intercom systems, and software
16 used in accounting, communications, and trading, and advisory
17 and consulting contracts made under this section are exempt
18 from the provisions of chapter 287.

19 Section 4. Section 17.59, Florida Statutes, is amended
20 to read:

21 17.59 Safekeeping services.--

22 (1) The Chief Financial Officer shall administer a
23 collateral management service for all ~~may accept for~~
24 ~~safekeeping purposes, deposits of cash, securities, and other~~
25 ~~documents or articles of value from any state agencies agency~~
26 as defined in s. 216.011, or any county, city, or political
27 subdivision thereof, or other public authority that requires
28 by statute, rule, or contract the deposit or pledge of
29 collateral.

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

4 (a) Collateral deposited and held by a custodian of
5 the Chief Financial Officer.

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

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

9 (d) Cash deposited in the Treasury Cash Deposit Trust
10 Fund and the Public Deposit Security Trust Fund.

11 (e) Cash deposited with the Chief Financial Officer as
12 escrow agent.

13 (3) The Chief Financial Officer may adopt rules for
14 the proper management and maintenance of the collateral
15 management service.

16 ~~(4)(2)~~ The Chief Financial Officer may, in his or her
17 discretion, establish a fee for processing, servicing, and
18 safekeeping deposits and other documents or articles of value
19 maintained by held in the Chief Financial Officer Officer's
20 ~~vaults~~ as requested by the various entities according to a
21 service-level agreement or as provided for by law. Such fee
22 shall be equivalent to the fee charged by financial
23 institutions for processing, servicing, and safekeeping the
24 same types of deposits and other documents or articles of
25 value.

26 ~~(5)(3)~~ The Chief Financial Officer shall collect in
27 advance, and persons so served shall pay to the Chief
28 Financial Officer in advance, the miscellaneous charges as
29 described in a service-level agreement. follows:

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

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

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

7 Section 5. Subsection (1) of section 17.61, Florida
8 Statutes, is amended to read:

9 17.61 Chief Financial Officer; powers and duties in
10 the investment of certain funds.--

11 (1) The Chief Financial Officer shall invest all
12 general revenue funds and all the trust funds and all agency
13 funds of each state agency, and of the judicial branch, as
14 defined in s. 216.011, and may, upon request, invest funds of
15 any ~~statutorily created~~ board, association, or entity created
16 by the State Constitution or by law, except for the funds
17 required to be invested pursuant to ss. 215.44-215.53, by the
18 procedure and in the authorized securities prescribed in s.
19 17.57; for this purpose, the Chief Financial Officer may open
20 and maintain one or more demand and safekeeping accounts in
21 any bank or savings association for the investment and
22 reinvestment and the purchase, sale, and exchange of funds and
23 securities in the accounts. Funds in such accounts used solely
24 for investments and reinvestments shall be considered
25 investment funds and not funds on deposit, and such funds
26 shall be exempt from the provisions of chapter 280. In
27 addition, the securities or investments purchased or held
28 under the provisions of this section and s. 17.57 may be
29 loaned to securities dealers and banks and may be registered
30 by the Chief Financial Officer in the name of a third-party
31 nominee in order to facilitate such loans, provided the loan

1 | is collateralized by cash or United States government
2 | securities having a market value of at least 100 percent of
3 | the market value of the securities loaned. The Chief Financial
4 | Officer shall keep a separate account, designated by name and
5 | number, of each fund. Individual transactions and totals of
6 | all investments, or the share belonging to each fund, shall be
7 | recorded in the accounts.

8 | Section 6. Subsection (1) and paragraph (a) of
9 | subsection (3) of section 20.121, Florida Statutes, are
10 | amended to read:

11 | 20.121 Department of Financial Services.--There is
12 | created a Department of Financial Services.

13 | (1) DEPARTMENT HEAD.--The head of the Department of
14 | Financial Services is the Chief Financial Officer who may also
15 | be known as the Treasurer.

16 | (3) FINANCIAL SERVICES COMMISSION.--Effective January
17 | 7, 2003, there is created within the Department of Financial
18 | Services the Financial Services Commission, composed of the
19 | Governor, the Attorney General, the Chief Financial Officer,
20 | and the Commissioner of Agriculture, which shall for purposes
21 | of this section be referred to as the commission. Commission
22 | members shall serve as agency head of the Financial Services
23 | Commission. The commission shall be a separate budget entity
24 | and shall be exempt from the provisions of s. 20.052.
25 | Commission action shall be by majority vote consisting of at
26 | least three affirmative votes. The commission shall not be
27 | subject to control, supervision, or direction by the
28 | Department of Financial Services in any manner, including
29 | purchasing, transactions involving real or personal property,
30 | personnel, or budgetary matters.

31 |

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

4 1. The Office of Insurance Regulation, which shall be
5 responsible for all activities concerning insurers and other
6 risk bearing entities, including licensing, rates, policy
7 forms, market conduct, claims, ~~adjusters~~, issuance of
8 certificates of authority, solvency, viatical settlements,
9 premium financing, and administrative supervision, as provided
10 under the insurance code or chapter 636. The head of the
11 Office of Insurance Regulation is the Director of the Office
12 of Insurance Regulation, who may also be known as the
13 Commissioner of Insurance Regulation.

14 2. The Office of Financial Regulation, which shall be
15 responsible for all activities of the Financial Services
16 Commission relating to the regulation of banks, credit unions,
17 other financial institutions, finance companies, and the
18 securities industry. The head of the office is the Director
19 of the Office of Financial Regulation, who may also be known
20 as the Commissioner of Financial Regulation. The Office of
21 Financial Regulation shall include a Bureau of Financial
22 Investigations, which shall function as a criminal justice
23 agency for purposes of ss. 943.045-943.08 and shall have a
24 separate budget. The bureau may conduct investigations within
25 or outside this state as the bureau deems necessary to aid in
26 the enforcement of this section. If, during an investigation,
27 the office has reason to believe that any criminal law of this
28 state has or may have been violated, the office shall refer
29 any records tending to show such violation to state or federal
30 law enforcement or prosecutorial agencies and shall provide
31 investigative assistance to those agencies as required.

1 Section 7. Subsection (6) of section 110.1227, Florida
2 Statutes, is amended to read:

3 110.1227 Florida Employee Long-Term-Care Plan Act.--

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

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

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

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

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

15 (e) The Department of Management Services shall
16 appoint a member.

17 (f) The President of the Senate shall appoint a member
18 of the Senate.

19 (g) The Speaker of the House of Representatives shall
20 appoint a member of the House of Representatives.

21 Section 8. Subsection (2) of section 112.215, Florida
22 Statutes, as amended by section 8 of chapter 2003-399, Laws of
23 Florida, is amended, paragraph (e) is added to subsection (4)
24 of that section and subsection (11) of that section is
25 amended, to read:

26 112.215 Government employees; deferred compensation
27 program.--

28 (2) For the purposes of this section, the term
29 "employee" means any person, whether appointed, elected, or
30 under contract, providing services for the state; any state
31 agency or county or other political subdivision of the state;

1 any municipality; any state university board of trustees; or
2 any constitutional county officer under s. 1(d), Art. VIII of
3 the State Constitution for which compensation or statutory
4 fees are paid.

5 (4)

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

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

24 (a) The bank or savings association shall, to the
25 extent that the time deposit accounts or certificates of
26 deposit are not insured by the Federal Deposit Insurance
27 Corporation, deposit or issue collateral with the Chief
28 Financial Officer for all state funds held by it under a
29 deferred compensation plan, or with such other appropriate
30 official for all public funds held by it under a deferred
31 compensation plan of a county, municipality, other political

1 subdivision, or constitutional county officer, in an amount
2 which equals at least 150 percent of all uninsured deferred
3 compensation funds then held.

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

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

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

13 215.95 Financial Management Information Board.--

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

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

23 215.96 Coordinating council and design and
24 coordination staff.--

25 (2) The coordinating council shall consist of the
26 Chief Financial Officer; the Commissioner of Agriculture; the
27 secretary of the Department of Management Services; the
28 Attorney General; and the Director of Planning and Budgeting,
29 Executive Office of the Governor, or their designees. The
30 Chief Financial Officer, or his or her designee, shall be
31 chair of the coordinating council, and the design and

1 coordination staff shall provide administrative and clerical
2 support to the council and the board. The design and
3 coordination staff shall maintain the minutes of each meeting
4 and shall make such minutes available to any interested
5 person. The Auditor General, the State Courts Administrator,
6 an executive officer of the Florida Association of State
7 Agency Administrative Services Directors, and an executive
8 officer of the Florida Association of State Budget Officers,
9 or their designees, shall serve without voting rights as ex
10 officio members on the coordinating council. The chair may
11 call meetings of the coordinating council as often as
12 necessary to transact business; however, the coordinating
13 council shall meet at least once a year. Action of the
14 coordinating council shall be by motion, duly made, seconded
15 and passed by a majority of the coordinating council voting in
16 the affirmative for approval of items that are to be
17 recommended for approval to the Financial Management
18 Information Board.

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

1 PeopleFirst Outsourcing project, and the State Unified Tax
2 system (SUNTAX).

3 (a) To fulfill this role, the coordinating council
4 shall establish an Enterprise Resource Planning Integration
5 Task Force, which shall consist of the coordinating council
6 members plus the Chief Information Officer in the State
7 Technology Office and the Executive Director or designee in
8 the Department of Revenue, who shall serve with voting rights
9 on the task force. The nonvoting ex officio members of the
10 coordinating council shall be nonvoting members of the task
11 force.

12 (b) The task force shall be established by August 1,
13 2003, and shall remain in existence until the integration
14 goals have been achieved among the FLAIR/CMS Replacement
15 project, SPURS and MyFlorida Marketplace project, COPES and
16 PeopleFirst project, payroll system, LAS/PBS, and SUNTAX
17 system, or until June 30, 2005, whichever is later. The task
18 force shall hold its initial meeting no later than September
19 1, 2003, and shall meet at the call of the chair or at least
20 once every 60 days. In its initial meeting, task force members
21 shall:

22 1. Adopt a task force charter that identifies major
23 objectives, activities, milestones and deliverables,
24 significant assumptions, and constraints on the task force
25 functions and major stakeholder groups interested in the
26 outcome of the task force.

27 2. Consider and adopt processes by which information
28 will be collected and business process and technical
29 integration issues will be raised for analysis and
30 recommendation by the task force.

31

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

4 (c) The coordinating council shall provide
5 administrative and technical support to the task force as is
6 reasonably necessary for the task force to effectively and
7 timely carry out its duties and responsibilities. The cost of
8 providing such support may be paid from funds appropriated for
9 the operation of the council or the FLAIR/CMS Replacement
10 project. The task force also may contract for services to
11 obtain specific expertise to analyze, facilitate, and
12 formulate recommendations to address process and technical
13 integration problems that need to be resolved.

14 (d) Using information and input from project teams and
15 stakeholders responsible for the FLAIR/CMS Replacement
16 project, SPURS and MyFlorida Marketplace project, COPES and
17 PeopleFirst project, payroll system, LAS/PBS, and SUNTAX
18 system, the responsibilities of the task force shall include,
19 but not be limited to:

20 1. Identifying and documenting central administrative
21 and financial management policies, procedures, and processes
22 that need to be integrated and recommending steps for
23 implementation.

24 2. Collecting information from the subsystem owners
25 and project teams and developing and publishing a consolidated
26 list of enterprise resource planning functional and technical
27 integration requirements.

28 3. Publishing integration plans and timelines based on
29 information collected from task force members.

30 4. Forming committees, workgroups, and teams as
31 provided in subsection (3).

1 5. Developing recommendations for the Financial
2 Management Information Board which clearly describe any
3 business or technical problems that need to be addressed, the
4 options for resolving the problem, and the recommended
5 actions.

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

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

18 (f) The task force shall monitor, review, and evaluate
19 the progress of the FLAIR/CMS Replacement project, SPURS and
20 MyFlorida Marketplace project, COPES and PeopleFirst project,
21 payroll system, LAS/PBS, and SUNTAX system, in implementing
22 the process and technical integration requirements and changes
23 approved by the Financial Management Information Board and in
24 achieving the necessary integration among the central
25 administrative and financial management information systems
26 represented on the task force. The task force shall prepare
27 and submit quarterly reports to the Executive Office of the
28 Governor, the chairs of the Senate Appropriations Committee
29 and the House Appropriations Committee, and the Financial
30 Management Information Board. Each quarterly report shall
31 identify and describe the technical, procedural, policy, and

1 process requirements and changes proposed and adopted by the
2 board and shall describe the status of the implementation of
3 these integration efforts, identify any problems, issues, or
4 risks that require executive-level action, and report actual
5 costs related to the Enterprise Resource Planning Integration
6 Task Force.

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

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

17 Section 11. Subsection (10) is added to section
18 287.064, Florida Statutes, to read:

19 287.064 Consolidated financing of deferred-payment
20 purchases.--

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

30 Section 12. Paragraph (a) of subsection (8) of section
31 408.05, Florida Statutes, is amended to read:

1 408.05 State Center for Health Statistics.--
2 (8) STATE COMPREHENSIVE HEALTH INFORMATION SYSTEM
3 ADVISORY COUNCIL.--
4 (a) There is established in the agency the State
5 Comprehensive Health Information System Advisory Council to
6 assist the center in reviewing the comprehensive health
7 information system and to recommend improvements for such
8 system. The council shall consist of the following members:
9 1. An employee of the Executive Office of the
10 Governor, to be appointed by the Governor.
11 2. An employee of the Office of Insurance Regulation
12 ~~Department of Financial Services~~, to be appointed by the
13 director of the office ~~Chief Financial Officer~~.
14 3. An employee of the Department of Education, to be
15 appointed by the Commissioner of Education.
16 4. Ten persons, to be appointed by the Secretary of
17 Health Care Administration, representing other state and local
18 agencies, state universities, the Florida Association of
19 Business/Health Coalitions, local health councils,
20 professional health-care-related associations, consumers, and
21 purchasers.
22 Section 13. Subsection (4) of section 501.212, Florida
23 Statutes, is amended and subsection (7) is added to that
24 section, to read:
25 501.212 Application.--This part does not apply to:
26 (4) Any person or activity regulated under laws
27 administered by:
28 (a) The Department of Financial Services or the Office
29 of Insurance Regulation of the Financial Services Commission;
30 ~~or~~
31

1 **(b)** Banks and savings and loan associations regulated
2 by the Office of Financial Regulation of the Financial
3 Services Commission; ~~or~~

4 **(c)** Banks or savings and loan associations regulated
5 by federal agencies; ~~or~~

6 **(d)** Any person or activity regulated under the laws
7 administered by the former Department of Insurance which are
8 now administered by the Department of Financial Services.

9 **(7)(a)** Causes of action pertaining to commercial real
10 property located in this state if the parties to the action
11 executed a written lease or contract that expressly provides
12 for the process of resolution of any dispute and the award of
13 damages, attorney's fees, and costs, if any; or

14 **(b)** Causes of action concerning failure to maintain
15 real property if the Florida Statutes:

16 1. Require the owner to comply with applicable
17 building, housing, and health codes;

18 2. Require the owner to maintain buildings and
19 improvements in common areas in a good state of repair and
20 maintenance and maintain the common areas in a good state of
21 appearance, safety, and cleanliness; and

22 3. Provide a cause of action for failure to maintain
23 the real property and provide legal or equitable remedies,
24 including the award of attorney's fees.

25
26 However, this subsection does not prohibit the enforcing
27 authority from retaining exclusive jurisdiction to bring any
28 cause of action authorized under s. 501.207 and to seek any
29 civil penalties authorized under s. 501.2075.

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

1 516.35 Credit insurance must comply with credit
2 insurance act.--

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

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

15 624.313 Publications.--

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

18 (a)1- As needed, questions and answers for the use of
19 persons applying for an examination for licensing as agents
20 for property, casualty, surety, health, and miscellaneous
21 insurers.

22 (b)2- As needed, questions and answers for the use of
23 persons applying for an examination for licensing as agents
24 for life and health insurers.

25 ~~(c)(b) The office may prepare and have printed and~~
26 ~~published in pamphlet or book form,~~ As needed, questions and
27 answers for the use of persons applying for an examination for
28 licensing as adjusters.

29 Section 16. Subsection (1) and paragraph (a) of
30 subsection (2) of section 624.317, Florida Statutes, are
31 amended to read:

1 624.317 Investigation of agents, adjusters,
2 administrators, service companies, and others.--If it has
3 reason to believe that any person has violated or is violating
4 any provision of this code, or upon the written complaint
5 signed by any interested person indicating that any such
6 violation may exist:

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

14 (2) The office shall conduct such investigation as it
15 deems necessary of the accounts, records, documents, and
16 transactions pertaining to or affecting the insurance affairs
17 of any:

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

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

22 624.501 Filing, license, appointment, and
23 miscellaneous fees.--The department, commission, or office, as
24 appropriate, shall collect in advance, and persons so served
25 shall pay to it in advance, fees, licenses, and miscellaneous
26 charges as follows:

27 (12) Adjusters:

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

30 Section 18. Subsections (1) and (2) of section
31 626.016, Florida Statutes, are amended to read:

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

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

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

13 Section 19. Paragraph (a) of subsection (1) of section
14 626.112, Florida Statutes, is amended to read:

15 626.112 License and appointment required; agents,
16 customer representatives, adjusters, insurance agencies,
17 service representatives, managing general agents.--

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

27 Section 20. Section 626.161, Florida Statutes, is
28 amended to read:

29 626.161 Licensing forms.--The department shall
30 prescribe and furnish all printed forms required in connection
31 with the application for issuance of and termination of all

1 | licenses and appointments, ~~except that, with respect to~~
2 | ~~adjusters, the commission shall prescribe and the office shall~~
3 | ~~furnish such forms.~~

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

7 | 626.171 Application for license.--

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

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

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

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

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

7 Section 22. Section 626.181, Florida Statutes, is
8 amended to read:

9 626.181 Number of applications for licensure
10 required.--After a license as agent, customer representative,
11 or adjuster has been issued to an individual, the same
12 individual shall not be required to take another examination
13 for a similar license, regardless, in the case of an agent, of
14 the number of insurers to be represented by him or her as
15 agent, unless:

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

18 (2) During any period of 48 months since the filing of
19 the original license application, such individual was not
20 appointed as an agent, customer representative, or adjuster,
21 unless the failure to be so appointed was due to military
22 service, in which event the period within which a new
23 application is not required may, in the discretion of the
24 department ~~or office~~, be extended to 12 months following the
25 date of discharge from military service if the military
26 service does not exceed 3 years, but in no event to extend
27 under this clause for a period of more than 6 years from the
28 date of filing of the original application for license.

29 Section 23. Section 626.191, Florida Statutes, is
30 amended to read:

31

1 626.191 Repeated applications.--The failure of an
2 applicant to secure a license upon an application shall not
3 preclude him or her from applying again as many times as
4 desired, but the department ~~or office~~ shall not give
5 consideration to or accept any further application by the same
6 individual for a similar license dated or filed within 30 days
7 subsequent to the date the department ~~or office~~ denied the
8 last application, except as provided in s. 626.281.

9 Section 24. Section 626.211, Florida Statutes, is
10 amended to read:

11 626.211 Approval, disapproval of application.--

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

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

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

31

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

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

10 626.221 Examination requirement; exemptions.--

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

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

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

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

28 (d) An applicant who, within 2 years prior to
29 application for license and appointment as an agent, customer
30 representative, or adjuster, was a full-time salaried employee
31 of the department ~~or office~~ and had continuously been such an

1 | employee with responsible insurance duties for not less than 2
2 | years and who had been a licensee within 2 years prior to
3 | employment by the department ~~or office~~ with the same class of
4 | license as that being applied for.

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

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

22 | (1) An applicant for license as an adjuster who has
23 | the designation of Accredited Claims Adjuster (ACA) from a
24 | regionally accredited postsecondary institution in this state,
25 | or the designation of Professional Claims Adjuster (PCA) from
26 | the Professional Career Institute, whose curriculum has been
27 | approved by the department ~~office~~ and whose curriculum
28 | includes comprehensive analysis of basic property and casualty
29 | lines of insurance and testing at least equal to that of
30 | standard department ~~office~~ testing for the all-lines adjuster
31 |

1 | license. The department ~~commission~~ shall adopt rules
2 | establishing standards for the approval of curriculum.

3 | Section 26. Section 626.231, Florida Statutes, is
4 | amended to read:

5 | 626.231 Eligibility for examination.--No person shall
6 | be permitted to take an examination for license until his or
7 | her application for the license has been approved and the
8 | required fees have been received by the department ~~or office~~
9 | or a person designated by the department ~~or office~~ to
10 | administer the examination.

11 | Section 27. Subsection (1) of section 626.241, Florida
12 | Statutes, is amended to read:

13 | 626.241 Scope of examination.--

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

22 | Section 28. Subsections (1) and (3) of section
23 | 626.251, Florida Statutes, are amended to read:

24 | 626.251 Time and place of examination; notice.--

25 | (1) The department ~~or office~~ or a person designated by
26 | the department ~~or office~~ shall mail written notice of the time
27 | and place of the examination to each applicant for license
28 | required to take an examination who will be eligible to take
29 | the examination as of the examination date. The notice shall
30 | be so mailed, postage prepaid, and addressed to the applicant
31 | at his or her address shown on the application for license or

1 at such other address as requested by the applicant in writing
2 filed with the department ~~or office~~ prior to the mailing of
3 the notice. Notice shall be deemed given when so mailed.

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

9 Section 29. Subsections (1), (2), and (3) of section
10 626.261, Florida Statutes, are amended to read:

11 626.261 Conduct of examination.--

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

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

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

23 Section 30. Section 626.266, Florida Statutes, is
24 amended to read:

25 626.266 Printing of examinations or related materials
26 to preserve examination security.--A contract let for the
27 development, administration, or grading of examinations or
28 related materials by the department ~~or office~~ pursuant to the
29 various agent, customer representative, or adjuster licensing
30 and examination provisions of this code may include the
31 printing or furnishing of these examinations or related

1 materials in order to preserve security. Any such contract
2 shall be let as a contract for a contractual service pursuant
3 to s. 287.057.

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

6 626.271 Examination fee; determination, refund.--

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

14 Section 32. Section 626.281, Florida Statutes, is
15 amended to read:

16 626.281 Reexamination.--

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

18 (a) Taken an examination and failed to make a passing
19 grade, or

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

23
24 may take additional examinations, after filing with the
25 department ~~or office~~ an application for reexamination together
26 with applicable fees. The failure of an applicant to pass an
27 examination or the failure to appear for the examination or to
28 take or complete the examination does not preclude the
29 applicant from taking subsequent examinations.

30 (2) The department ~~or office~~ may require any
31 individual whose license as an agent, customer representative,

1 or adjuster has expired or has been suspended to pass an
2 examination prior to reinstating or relicensing the individual
3 as to any class of license. The examination fee shall be paid
4 as to each examination.

5 Section 33. Section 626.2817, Florida Statutes, is
6 amended to read:

7 626.2817 Regulation of course providers, instructors,
8 school officials, and monitor groups involved in prelicensure
9 education for insurance agents and other licensees.--

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

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

24 (3) The department ~~or commission~~ shall adopt rules to
25 establish a process for determining compliance with the
26 prelicensure requirements of this chapter and chapter 648. The
27 department ~~or commission~~ shall adopt rules prescribing the
28 forms necessary to administer the prelicensure requirements.

29 Section 34. Section 626.291, Florida Statutes, is
30 amended to read:

31 626.291 Denial, issuance of license.--

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

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

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

20 Section 35. Section 626.301, Florida Statutes, is
21 amended to read:

22 626.301 Form and contents of licenses, in
23 general.--Each license issued by the department ~~or office~~
24 shall be in such form as the department ~~or commission~~ may
25 designate and contain the licensee's name, lines of authority
26 the licensee is authorized to transact, the licensee's
27 personal identification number, the date of issuance, and any
28 other information the department ~~or commission~~ deems necessary
29 to fully identify the licensee and the authority being
30 granted. The department ~~or commission~~ may by rule require
31 photographs of applicants as a part of the licensing process.

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

3 626.371 Payment of fees, taxes for appointment period
4 without appointment.--

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

22 Section 37. Subsections (2), (3), and (4) of section
23 626.381, Florida Statutes, are amended to read:

24 626.381 Renewal, continuation, reinstatement, or
25 termination of appointment.--

26 (2) Each appointing entity shall file with the
27 department ~~or office~~ the lists, statements, and information as
28 to appointees whose appointments are being renewed or
29 terminated, accompanied by payment of the applicable renewal
30 fees and taxes as prescribed in s. 624.501, by a date set
31

1 forth by the department ~~or office~~ following the month during
2 which the appointments will expire.

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

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

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

21 626.431 Effect of expiration of license and
22 appointment.--

23 (2) When a licensee's last appointment for a
24 particular class of insurance has been terminated or not
25 renewed, the department ~~or office~~ must notify the licensee
26 that his or her eligibility for appointment as such an
27 appointee will expire unless he or she is appointed prior to
28 expiration of the 48-month period referred to in subsection
29 (3).

30 Section 39. Section 626.461, Florida Statutes, is
31 amended to read:

1 626.461 Continuation of appointment of agent or other
2 representative.--Subject to renewal or continuation by the
3 appointing entity, the appointment of the agent, adjuster,
4 service representative, customer representative, or managing
5 general agent shall continue in effect until the person's
6 license is revoked or otherwise terminated, unless written
7 notice of earlier termination of the appointment is filed with
8 the department ~~or office~~ or person designated by the
9 department to administer the appointment process by either the
10 appointing entity or the appointee.

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

13 626.471 Termination of appointment.--

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

23 (3) Upon termination of the appointment of an
24 appointee, whether by failure to renew or continue the
25 appointment, the appointing entity shall:

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

28 (b) Subject to the exceptions provided under
29 subsection (1), continue the outstanding contracts transacted
30 by an agent until the expiration date or anniversary date when
31 the policy is a continuous policy with no expiration date.

1 This paragraph shall not be construed to prohibit the
2 cancellation of such contracts when not otherwise prohibited
3 by law.

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

12 (5) Upon receiving notice of termination, the
13 department ~~or office~~ or person designated by the department to
14 administer the appointment process shall terminate the
15 appointment.

16 Section 41. Subsections (2), (3), and (5) of section
17 626.521, Florida Statutes, are amended to read:

18 626.521 Character, credit reports.--

19 (2) If requested by the department ~~or office~~, the
20 insurer, manager, general agent, general lines agent, or
21 employer, as the case may be, shall furnish to the department
22 ~~or office~~ on a form adopted and furnished by the department ~~or~~
23 ~~commission and furnished by the department or office~~, such
24 information as it ~~may~~ reasonably requires ~~require~~ relative to
25 such individual and investigation.

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

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

5 Section 42. Subsections (1) and (2) of section
6 626.541, Florida Statutes, are amended to read:

7 626.541 Firm, corporate, and business names; officers;
8 associates; notice of changes.--

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

23 (2) In the event of any change of such name, or of any
24 of the officers and directors, or of any of such addresses, or
25 in the personnel so associated, written notice of such change
26 must be filed with the department ~~or office~~ within 30 days by
27 or on behalf of those licensees terminating any such firm,
28 corporate, or business name or continuing to operate
29 thereunder.

30 Section 43. Section 626.551, Florida Statutes, is
31 amended to read:

1 626.551 Notice of change of address, name.--Every
2 licensee shall notify the department ~~or office~~ in writing
3 within 60 days after a change of name, residence address,
4 principal business street address, or mailing address. Any
5 licensed agent who has moved his or her residence from this
6 state shall have his or her license and all appointments
7 immediately terminated by the department ~~or office~~. Failure to
8 notify the department ~~or office~~ within the required time
9 period shall result in a fine not to exceed \$250 for the first
10 offense and, for subsequent offenses, a fine of not less than
11 \$500 or suspension or revocation of the license pursuant to s.
12 626.611 or s. 626.621.

13 Section 44. Section 626.611, Florida Statutes, is
14 amended to read:

15 626.611 Grounds for compulsory refusal, suspension, or
16 revocation of agent's, title agency's, adjuster's, customer
17 representative's, service representative's, or managing
18 general agent's license or appointment.--The department ~~or~~
19 ~~office~~ shall deny an application for, suspend, revoke, or
20 refuse to renew or continue the license or appointment of any
21 applicant, agent, title agency, adjuster, customer
22 representative, service representative, or managing general
23 agent, and it shall suspend or revoke the eligibility to hold
24 a license or appointment of any such person, if it finds that
25 as to the applicant, licensee, or appointee any one or more of
26 the following applicable grounds exist:

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

29 (2) Material misstatement, misrepresentation, or fraud
30 in obtaining the license or appointment or in attempting to
31 obtain the license or appointment.

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

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

6 (5) Willful misrepresentation of any insurance policy
7 or annuity contract or willful deception with regard to any
8 such policy or contract, done either in person or by any form
9 of dissemination of information or advertising.

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

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

20 (8) Demonstrated lack of reasonably adequate knowledge
21 and technical competence to engage in the transactions
22 authorized by the license or appointment.

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

25 (10) Misappropriation, conversion, or unlawful
26 withholding of moneys belonging to insurers or insureds or
27 beneficiaries or to others and received in conduct of business
28 under the license or appointment.

29 (11) Unlawfully rebating, attempting to unlawfully
30 rebate, or unlawfully dividing or offering to divide his or
31 her commission with another.

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

7 (13) Willful failure to comply with, or willful
8 violation of, any proper order or rule of the department,
9 ~~commission, or office~~ or willful violation of any provision of
10 this code.

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

18 (15) Fraudulent or dishonest practice in submitting or
19 aiding or abetting any person in the submission of an
20 application for workers' compensation coverage under chapter
21 440 containing false or misleading information as to employee
22 payroll or classification for the purpose of avoiding or
23 reducing the amount of premium due for such coverage.

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

26 Section 45. Section 626.621, Florida Statutes, is
27 amended to read:

28 626.621 Grounds for discretionary refusal, suspension,
29 or revocation of agent's, adjuster's, customer
30 representative's, service representative's, or managing
31 general agent's license or appointment.--The department ~~or~~

1 ~~office~~ may, in its discretion, deny an application for,
2 suspend, revoke, or refuse to renew or continue the license or
3 appointment of any applicant, agent, adjuster, customer
4 representative, service representative, or managing general
5 agent, and it may suspend or revoke the eligibility to hold a
6 license or appointment of any such person, if it finds that as
7 to the applicant, licensee, or appointee any one or more of
8 the following applicable grounds exist under circumstances for
9 which such denial, suspension, revocation, or refusal is not
10 mandatory under s. 626.611:

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

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

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

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

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

24 (6) In the conduct of business under the license or
25 appointment, engaging in unfair methods of competition or in
26 unfair or deceptive acts or practices, as prohibited under
27 part IX of this chapter, or having otherwise shown himself or
28 herself to be a source of injury or loss to the public or
29 detrimental to the public interest.

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

1 (8) Having been found guilty of or having pleaded
2 guilty or nolo contendere to a felony or a crime punishable by
3 imprisonment of 1 year or more under the law of the United
4 States of America or of any state thereof or under the law of
5 any other country, without regard to whether a judgment of
6 conviction has been entered by the court having jurisdiction
7 of such cases.

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

9 (10) Cheating on an examination required for licensure
10 or violating test center or examination procedures published
11 orally, in writing, or electronically at the test site by
12 authorized representatives of the examination program
13 administrator. Communication of test center and examination
14 procedures must be clearly established and documented.

15 (11) Failure to inform the department ~~or office~~ in
16 writing within 30 days after pleading guilty or nolo
17 contendere to, or being convicted or found guilty of, any
18 felony or a crime punishable by imprisonment of 1 year or more
19 under the law of the United States or of any state thereof, or
20 under the law of any other country without regard to whether a
21 judgment of conviction has been entered by the court having
22 jurisdiction of the case.

23 (12) Knowingly aiding, assisting, procuring, advising,
24 or abetting any person in the violation of or to violate a
25 provision of the insurance code or any order or rule of the
26 department, commission, or office.

27 Section 46. Section 626.631, Florida Statutes, is
28 amended to read:

29 626.631 Procedure for refusal, suspension, or
30 revocation of license.--
31

1 (1) If any licensee is convicted by a court of a
2 violation of this code or a felony, the licenses and
3 appointments of such person shall be immediately revoked by
4 the department ~~or office~~. The licensee may subsequently
5 request a hearing pursuant to ss. 120.569 and 120.57, and the
6 department ~~or office~~ shall expedite any such requested
7 hearing. The sole issue at such hearing shall be whether the
8 revocation should be rescinded because such person was not in
9 fact convicted of a violation of this code or a felony.

10 (2) The papers, documents, reports, or evidence of the
11 department ~~or office~~ relative to a hearing for revocation or
12 suspension of a license or appointment pursuant to the
13 provisions of this chapter and chapter 120 are confidential
14 and exempt from the provisions of s. 119.07(1) until after the
15 same have been published at the hearing. However, such papers,
16 documents, reports, or items of evidence are subject to
17 discovery in a hearing for revocation or suspension of a
18 license or appointment.

19 Section 47. Subsections (1) and (2) of section
20 626.641, Florida Statutes, are amended to read:

21 626.641 Duration of suspension or revocation.--

22 (1) The department ~~or office~~ shall, in its order
23 suspending a license or appointment or in its order suspending
24 the eligibility of a person to hold or apply for such license
25 or appointment, specify the period during which the suspension
26 is to be in effect; but such period shall not exceed 2 years.
27 The license, appointment, or eligibility shall remain
28 suspended during the period so specified, subject, however, to
29 any rescission or modification of the order by the department
30 ~~or office~~, or modification or reversal thereof by the court,
31 prior to expiration of the suspension period. A license,

1 | appointment, or eligibility which has been suspended shall not
2 | be reinstated except upon request for such reinstatement; but
3 | the department ~~or office~~ shall not grant such reinstatement if
4 | it finds that the circumstance or circumstances for which the
5 | license, appointment, or eligibility was suspended still exist
6 | or are likely to recur.

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

25 | Section 48. Subsection (2) of section 626.661, Florida
26 | Statutes, is amended to read:

27 | 626.661 Surrender of license.--

28 | (2) This section shall not be deemed to require the
29 | surrender to the department ~~or office~~ of any license unless
30 | such surrender has been requested by the department ~~or office~~.

31 |

1 Section 49. Subsections (1) and (3) of section
2 626.681, Florida Statutes, are amended to read:

3 626.681 Administrative fine in lieu of or in addition
4 to suspension, revocation, or refusal of license, appointment,
5 or disapproval.--

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

27 (3) The department ~~or office~~ may allow the licensee,
28 appointee, or continuing education course provider,
29 instructor, school official, or monitor group a reasonable
30 period, not to exceed 30 days, within which to pay to the
31 department ~~or office~~ the amount of the penalty so imposed. If

1 | the licensee, appointee, course provider, instructor, school
2 | official, or monitor group fails to pay the penalty in its
3 | entirety to the department ~~or office~~ within the period so
4 | allowed, the license, appointments, approval, or status of
5 | that person shall stand suspended or revoked or issuance,
6 | renewal, or continuation shall be refused, as the case may be,
7 | upon expiration of such period.

8 | Section 50. Section 626.691, Florida Statutes, is
9 | amended to read:

10 | 626.691 Probation.--

11 | (1) If the department ~~or office~~ finds that one or more
12 | grounds exist for the suspension, revocation, or refusal to
13 | renew or continue any license or appointment issued under this
14 | part, the department ~~or office~~ may, in its discretion, except
15 | when an administrative fine is not permissible under s.
16 | 626.681 or when such suspension, revocation, or refusal is
17 | mandatory, in lieu of or in addition to such suspension or
18 | revocation, or in lieu of such refusal, or in connection with
19 | any administrative monetary penalty imposed under s. 626.681,
20 | place the offending licensee or appointee on probation for a
21 | period, not to exceed 2 years, as specified by the department
22 | ~~or office~~ in its order.

23 | (2) As a condition to such probation or in connection
24 | therewith, the department ~~or office~~ may specify in its order
25 | reasonable terms and conditions to be fulfilled by the
26 | probationer during the probation period. If during the
27 | probation period the department ~~or office~~ has good cause to
28 | believe that the probationer has violated a term or condition,
29 | it shall suspend, revoke, or refuse to issue, renew, or
30 | continue the license or appointment of the probationer, as
31 | upon the original grounds referred to in subsection (1).

1 Section 51. Section 626.692, Florida Statutes, is
2 amended to read:

3 626.692 Restitution.--If any ground exists for the
4 suspension, revocation, or refusal of a license or
5 appointment, the department ~~or office~~ may, in addition to any
6 other penalty authorized under this chapter, order the
7 licensee to pay restitution to any person who has been
8 deprived of money by the licensee's misappropriation,
9 conversion, or unlawful withholding of moneys belonging to
10 insurers, insureds, beneficiaries, or others. In no instance
11 shall the amount of restitution required to be paid under this
12 section exceed the amount of money misappropriated, converted,
13 or unlawfully withheld. Nothing in this section limits or
14 restricts a person's right to seek other remedies as provided
15 for by law.

16 Section 52. Section 626.8582, Florida Statutes, is
17 amended to read:

18 626.8582 "Nonresident public adjuster" defined.--A
19 "nonresident public adjuster" is a person who:

- 20 (1) Is not a resident of this state;
- 21 (2) Is a currently licensed public adjuster in his or
22 her state of residence for the type or kinds of insurance for
23 which the licensee intends to adjust claims in this state or,
24 if a resident of a state that does not license public
25 adjusters, has passed the department's ~~office's~~ adjuster
26 examination as prescribed in s. 626.8732(1)(b); and
- 27 (3) Is a self-employed public adjuster or associated
28 with or employed by a public adjusting firm or other public
29 adjuster.

30 Section 53. Section 626.8584, Florida Statutes, is
31 amended to read:

1 626.8584 "Nonresident independent adjuster"
2 defined.--A "nonresident independent adjuster" is a person
3 who:
4 (1) Is not a resident of this state;
5 (2) Is a currently licensed independent adjuster in
6 his or her state of residence for the type or kinds of
7 insurance for which the licensee intends to adjust claims in
8 this state or, if a resident of a state that does not license
9 independent adjusters, has passed the department's ~~office's~~
10 adjuster examination as prescribed in s. 626.8734(1)(b); and
11 (3) Is a self-employed independent adjuster or
12 associated with or employed by an independent adjusting firm
13 or other independent adjuster.

14 Section 54. Section 626.859, Florida Statutes, is
15 amended to read:

16 626.859 "Catastrophe" or "emergency" adjuster
17 defined.--A "catastrophe" or "emergency" adjuster is a person
18 who is not a licensed adjuster under this part, but who has
19 been designated and certified to the department ~~office~~ by
20 insurers as qualified to adjust claims, losses, or damages
21 under policies or contracts of insurance issued by such
22 insurer, and whom the department ~~office~~ may license, in the
23 event of a catastrophe or emergency, for the purposes and
24 under the conditions which the department ~~office~~ shall fix and
25 for the period of the emergency as the department ~~office~~ shall
26 determine, to adjust claims, losses, or damages under the
27 policies of insurance issued by the insurers.

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

30 626.863 Licensed independent adjusters required;
31 insurers' responsibility.--

1 (2) Before referring any claim or loss, the insurer
2 shall ascertain from the department ~~office~~ whether the
3 proposed independent adjuster is currently licensed and
4 appointed as such. Having once ascertained that a particular
5 person is so licensed and appointed, the insurer may assume
6 that he or she will continue to be so licensed and appointed
7 until the insurer has knowledge, or receives information from
8 the department ~~office~~, to the contrary.

9 Section 56. Section 626.865, Florida Statutes, is
10 amended to read:

11 626.865 Public adjuster's qualifications, bond.--

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

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

17 (b) Is a United States citizen or legal alien who
18 possesses work authorization from the United States
19 Immigration and Naturalization Service and a bona fide
20 resident of this state.

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

25 (d) 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 the applicant may have business as a public
4 adjuster.

5 (e) Has passed any required written examination.

6 (2) At the time of application for license as a public
7 adjuster, the applicant shall file with the department ~~office~~
8 a bond executed and issued by a surety insurer authorized to
9 transact such business in this state, in the amount of
10 \$50,000, conditioned for the faithful performance of his or
11 her duties as a public adjuster under the license applied for.
12 The bond shall be in favor of the department ~~office~~ and shall
13 specifically authorize recovery by the department ~~office~~ of
14 the damages sustained in case the licensee is guilty of fraud
15 or unfair practices in connection with his or her business as
16 public adjuster. The aggregate liability of the surety for all
17 such damages shall in no event exceed the amount of the bond.
18 Such bond shall not be terminated unless at least 30 days'
19 written notice is given to the licensee and filed with the
20 department ~~office~~.

21 Section 57. Section 626.866, Florida Statutes, is
22 amended to read:

23 626.866 Independent adjuster's qualifications.--The
24 department ~~office~~ shall issue a license to an applicant for an
25 independent adjuster's license upon determining that the
26 applicable license fee specified in s. 624.501 has been paid
27 and that the applicant possesses the following qualifications:

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

29 (2) Is a United States citizen or legal alien who
30 possesses work authorization from the United States
31

1 Immigration and Naturalization Service and a bona fide
2 resident of this state.

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

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

19 (5) Has passed any required written examination.

20 Section 58. Section 626.867, Florida Statutes, is
21 amended to read:

22 626.867 Company employee adjuster's
23 qualifications.--The department ~~office~~ shall issue a license
24 to an applicant for a company employee adjuster's license upon
25 determining that the applicable license fee specified in s.
26 624.501 has been paid and that the applicant possesses the
27 following qualifications:

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

29 (2) Is a United States citizen or legal alien who
30 possesses work authorization from the United States

31

1 Immigration and Naturalization Service and a bona fide
2 resident of this state.

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

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

19 (5) Has passed any required written examination.

20 Section 59. Paragraph (c) of subsection (4) of section
21 626.869, Florida Statutes, is amended to read:

22 626.869 License, adjusters.--

23 (4)

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

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

29 626.8695 Primary adjuster.--

30 (1) Each person operating an adjusting firm and each
31 location of a multiple location adjusting firm must designate

1 a primary adjuster for each such firm or location and must
2 file with the department ~~office~~ the name of such primary
3 adjuster and the address of the firm or location where he or
4 she is the primary adjuster, on a form approved by the
5 department ~~commission~~. The designation of the primary adjuster
6 may be changed at the option of the adjusting firm. Any such
7 change is effective upon notification to the department
8 ~~office~~. Notice of change must be sent to the department ~~office~~
9 within 30 days after such change.

10 (3) The department ~~office~~ may suspend or revoke the
11 license of the primary adjuster if the adjusting firm employs
12 any person who has had a license denied or any person whose
13 license is currently suspended or revoked. However, if a
14 person has been denied a license for failure to pass a
15 required examination, he or she may be employed to perform
16 clerical or administrative functions for which licensure is
17 not required.

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

21 (6) An adjusting firm location may not conduct the
22 business of insurance unless a primary adjuster is designated.
23 Failure of the person operating the adjusting firm to
24 designate a primary adjuster for the firm, or for each
25 location, as applicable, on a form prescribed by the
26 department ~~commission~~ within 30 days after inception of the
27 firm or change of primary adjuster designation, constitutes
28 grounds for requiring the adjusting firm to obtain an
29 adjusting firm license pursuant to s. 626.8696.

30 (7) Any adjusting firm may request, on a form
31 prescribed by the department ~~commission~~, verification from the

1 | ~~department office~~ of any person's current licensure status.
2 | If a request is mailed to the office within 5 working days
3 | after the date an adjuster is hired, and the ~~department office~~
4 | subsequently notifies the adjusting firm that an employee's
5 | license is currently suspended, revoked, or has been denied,
6 | the license of the primary adjuster shall not be revoked or
7 | suspended if the unlicensed person is immediately dismissed
8 | from employment as an adjuster with the firm.

9 | Section 61. Paragraph (e) of subsection (1) and
10 | subsection (5) of section 626.8696, Florida Statutes, are
11 | amended to read:

12 | 626.8696 Application for adjusting firm license.--

13 | (1) The application for an adjusting firm license must
14 | include:

15 | (e) Any additional information ~~that which~~ the
16 | ~~department requires~~ ~~commission may require~~.

17 | (5) An adjusting firm required to be licensed pursuant
18 | to s. 626.8695 must remain so licensed for a period of 3 years
19 | from the date of licensure, unless the license is suspended or
20 | revoked. The ~~department office~~ may suspend or revoke the
21 | adjusting firm's authority to do business for activities
22 | occurring during the time the firm is licensed, regardless of
23 | whether the licensing period has terminated.

24 | Section 62. Subsections (1), (2), and (3) of section
25 | 626.8697, Florida Statutes, are amended to read:

26 | 626.8697 Grounds for refusal, suspension, or
27 | revocation of adjusting firm license.--

28 | (1) The ~~department office~~ shall deny, suspend, revoke,
29 | or refuse to continue the license of any adjusting firm if it
30 | finds, as to any adjusting firm or as to any majority owner,
31 | partner, manager, director, officer, or other person who

1 manages or controls the firm, that any of the following
2 grounds exist:

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

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

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

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

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

19 (c) Violation of any order or rule of the office or
20 commission.

21 (d) An owner, partner, manager, director, officer, or
22 other person who manages or controls the firm having been
23 found guilty of or having pleaded guilty or nolo contendere to
24 a felony or a crime punishable by imprisonment of 1 year or
25 more under the laws of the United States or of any state or
26 under the laws of any other country, without regard to whether
27 adjudication was made or withheld by the court.

28 (e) Failure to inform the department ~~office~~ in writing
29 within 30 days after a pleading by an owner, partner, manager,
30 director, officer, or other person managing or controlling the
31 firm of guilty or nolo contendere to, or being convicted or

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

6 (f) Knowingly aiding, assisting, procuring, advising,
7 or abetting any person in the violation of or to violate a
8 provision of the insurance code or any order or rule of the
9 department, office, or commission.

10 (g) Knowingly employing any individual in a managerial
11 capacity or in a capacity dealing with the public who is under
12 an order of revocation or suspension issued by the department
13 ~~office.~~

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

17 1. Misappropriation, conversion, or unlawful or
18 unreasonable withholding of moneys belonging to insurers or
19 insureds or beneficiaries or claimants or to others and
20 received in the conduct of business under the license.

21 2. Misrepresentation or deception with regard to the
22 business of insurance, dissemination of information, or
23 advertising.

24 3. Demonstrated lack of fitness or trustworthiness to
25 engage in the business of insurance adjusting arising out of
26 activities related to insurance adjusting or the adjusting
27 firm.

28 (i) Failure to appoint a primary adjuster.

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

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

4 Section 63. Section 626.8698, Florida Statutes, is
5 amended to read:

6 626.8698 Disciplinary guidelines for public
7 adjusters.--The department ~~office~~ may deny, suspend, or revoke
8 the license of a public adjuster, and administer a fine not to
9 exceed \$5,000 per act, for any of the following:

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

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

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

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

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

24 (6) Violating any ethical rule of the department
25 ~~commission~~.

26 Section 64. Subsections (2) and (3) of section
27 626.870, Florida Statutes, are amended to read:

28 626.870 Application for license.--

29 (2) The department ~~commission~~ shall so prepare the
30 form of the application as to elicit and require from the
31 applicant the information necessary to enable the department

1 ~~office~~ to determine whether the applicant possesses the
2 qualifications prerequisite to issuance of the license to the
3 applicant.

4 (3) The department ~~commission~~ may, in its discretion,
5 require that the application be supplemented by the
6 certificate or affidavit of such person or persons as it deems
7 necessary for its determination of the applicant's residence,
8 business reputation, and reputation for trustworthiness. The
9 department ~~commission~~ shall prescribe and ~~the office~~ may
10 furnish the forms for such certificates and affidavits.

11 Section 65. Section 626.871, Florida Statutes, is
12 amended to read:

13 626.871 Reappointment after military service.--The
14 department ~~office~~ may, without requiring a further written
15 examination, issue an appointment as an adjuster to a formerly
16 licensed and appointed adjuster of this state who held a
17 current adjuster's appointment at the time of entering service
18 in the Armed Forces of the United States, subject to the
19 following conditions:

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

22 (2) The application for the appointment must be filed
23 with the department ~~office~~ and the applicable fee paid, within
24 12 months following the date of honorable discharge of the
25 applicant from the military service; and

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

1 Section 66. Subsections (1) and (5) of section
2 626.872, Florida Statutes, are amended to read:

3 626.872 Temporary license.--

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

8 (a) The applicant must be an employee of an adjuster
9 currently licensed by the department ~~office~~, an employee of an
10 authorized insurer, or an employee of an established adjusting
11 firm or corporation which is supervised by a currently
12 licensed independent adjuster.

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

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

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

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

27 (f) The temporary license shall be effective for a
28 period of 1 year, but subject to earlier termination at the
29 request of the employer, or if the licensee fails to take an
30 examination as an independent adjuster or company employee
31

1 adjuster within 6 months after issuance of the temporary
2 license, or if suspended or revoked by the department ~~office~~.

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

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

9 626.873 Nonresident company employee adjusters.--

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

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

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

20 (c) Has filed a certificate or letter of authorization
21 from the insurance department of his or her home state, if
22 such state requires an adjuster to be licensed, stating that
23 he or she holds a current license or authorization to adjust
24 insurance losses. Such certificate or authorization must be
25 signed by the insurance commissioner, or his or her deputy, of
26 the adjuster's home state and must reflect whether or not the
27 adjuster has ever had his or her license or authorization in
28 the adjuster's home state suspended or revoked and, if such is
29 the case, the reason for such action.

30 Section 68. Section 626.8732, Florida Statutes, is
31 amended to read:

1 626.8732 Nonresident public adjuster's qualifications,
2 bond.--

3 (1) The department ~~office~~ shall, upon application
4 therefor, issue a license to an applicant for a nonresident
5 public adjuster's license upon determining that the applicant
6 has paid the applicable license fees required under s. 624.501
7 and:

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

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

14 1. An applicant who is licensed as a resident public
15 adjuster in his or her state of residence, when that state
16 requires the passing of a written examination in order to
17 obtain the license and a reciprocal agreement with the
18 appropriate official of that state has been entered into by
19 the department ~~office~~; or

20 2. An applicant who is licensed as a nonresident
21 public adjuster in a state other than his or her state of
22 residence when the state of licensure requires the passing of
23 a written examination in order to obtain the license and a
24 reciprocal agreement with the appropriate official of the
25 state of licensure has been entered into by the department
26 ~~office~~.

27 (c) Is self-employed as a public adjuster or
28 associated with or employed by a public adjusting firm or
29 other public adjuster. Applicants licensed as nonresident
30 public adjusters under this section must be appointed as such
31 in accordance with the provisions of ss. 626.112 and 626.451.

1 Appointment fees in the amount specified in s. 624.501 must be
2 paid to the department ~~office~~ in advance. The appointment of a
3 nonresident public adjuster shall continue in force until
4 suspended, revoked, or otherwise terminated, but subject to
5 biennial renewal or continuation by the licensee in accordance
6 with procedures prescribed in s. 626.381 for licensees in
7 general.

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

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

22 (2) The applicant shall furnish the following with his
23 or her application:

24 (a) A complete set of his or her fingerprints. The
25 applicant's fingerprints must be certified by an authorized
26 law enforcement officer. The department ~~office~~ may not
27 authorize an applicant to take the required examination or
28 issue a nonresident public adjuster's license to the applicant
29 until the department ~~office~~ has received a report from the
30 Florida Department of Law Enforcement and the Federal Bureau
31 of Investigation relative to the existence or nonexistence of

1 a criminal history report based on the applicant's
2 fingerprints.

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

16 (c) If the applicant's state of residence does not
17 require licensure as a public adjuster and the applicant has
18 been licensed as a resident insurance adjuster, agent, broker,
19 or other insurance representative in his or her state of
20 residence or any other state within the past 3 years, a
21 certificate or letter of authorization from the licensing
22 authority stating that the applicant holds or has held a
23 license to act as such an insurance adjuster, agent, or other
24 insurance representative. The certificate or letter of
25 authorization must be signed by the insurance commissioner or
26 his or her deputy or the appropriate licensing official and
27 must disclose whether or not the adjuster, agent, or other
28 insurance representative has ever had any license or
29 eligibility to hold any license declined, denied, suspended,
30 revoked, or placed on probation or whether an administrative
31

1 fine or penalty has been levied against the adjuster and, if
2 so, the reason for the action.

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

18 (4) The usual and customary records pertaining to
19 transactions under the license of a nonresident public
20 adjuster must be retained for at least 3 years after
21 completion of the adjustment and must be made available in
22 this state to the department ~~office~~ upon request. The failure
23 of a nonresident public adjuster to properly maintain records
24 and make them available to the department ~~office~~ upon request
25 constitutes grounds for the immediate suspension of the
26 license issued under this section.

27 (5) After licensure as a nonresident public adjuster,
28 as a condition of doing business in this state, the licensee
29 must annually on or before January 1, on a form prescribed by
30 the department ~~commission~~, submit an affidavit certifying that
31 the licensee is familiar with and understands the insurance

1 code and rules adopted thereunder and the provisions of the
2 contracts negotiated or to be negotiated. Compliance with this
3 filing requirement is a condition precedent to the issuance,
4 continuation, reinstatement, or renewal of a nonresident
5 public adjuster's appointment.

6 Section 69. Subsections (1), (3), and (4) of section
7 626.8734, Florida Statutes, are amended to read:

8 626.8734 Nonresident independent adjuster's
9 qualifications.--

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

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

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

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

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

1 state of licensure has been entered into by the department
2 ~~office~~.

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

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

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

29 (3) The usual and customary records pertaining to
30 transactions under the license of a nonresident independent
31 adjuster must be retained for at least 3 years after

1 completion of the adjustment and must be made available in
2 this state to the department ~~office~~ upon request. The failure
3 of a nonresident independent adjuster to properly maintain
4 records and make them available to the department ~~office~~ upon
5 request constitutes grounds for the immediate suspension of
6 the license issued under this section.

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

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

20 626.8736 Nonresident independent or public adjusters;
21 service of process.--

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

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

28 626.8738 Penalty for violation.--In addition to any
29 other remedy imposed pursuant to this code, any person who
30 acts as a resident or nonresident public adjuster or holds
31 himself or herself out to be a public adjuster to adjust

1 | claims in this state, without being licensed by the department
2 | ~~office~~ as a public adjuster and appointed as a public
3 | adjuster, commits a felony of the third degree, punishable as
4 | provided in s. 775.082, s. 775.083, or s. 775.084. Each act in
5 | violation of this section constitutes a separate offense.

6 | Section 72. Section 626.874, Florida Statutes, is
7 | amended to read:

8 | 626.874 Catastrophe or emergency adjusters.--

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

24 | (2) If any person not a licensed adjuster who has been
25 | permitted to adjust such losses, claims, or damages under the
26 | conditions and circumstances set forth in subsection (1),
27 | engages in any of the misconduct described in or contemplated
28 | by ss. 626.611 and 626.621, the department ~~office~~, without
29 | notice and hearing, shall be authorized to issue its order
30 | denying such person the privileges granted under this section;
31 |

1 and thereafter it shall be unlawful for any such person to
2 adjust any such losses, claims, or damages in this state.

3 Section 73. Section 626.878, Florida Statutes, is
4 amended to read:

5 626.878 Rules; code of ethics.--An adjuster shall
6 subscribe to the code of ethics specified in the rules of the
7 department ~~commission~~. The rules shall implement the
8 provisions of this part and specify the terms and conditions
9 of contracts, including a right to cancel, and require
10 practices necessary to ensure fair dealing, prohibit conflicts
11 of interest, and ensure preservation of the rights of the
12 claimant to participate in the adjustment of claims.

13 Section 74. Section 627.7012, Florida Statutes, is
14 transferred, renumbered as section 626.879, Florida Statutes,
15 and amended to read:

16 ~~626.879~~~~627.7012~~ 626.879 Pools of insurance adjusters.--The
17 department ~~commission~~ may, by rule, establish a pool of
18 qualified insurance adjusters. The rules must provide that, if
19 a hurricane occurs or an emergency is declared, the department
20 ~~office~~ may assign members of the pool to the affected area and
21 that an insurer may request that a member of the pool adjust
22 claims in the assigned area. The rules may not require that an
23 insurer use those adjusters assigned by the department ~~office~~.

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

26 626.9543 Holocaust victims.--

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

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

29 ~~(a)~~~~(b)~~ (a) "Holocaust victim" means any person who lost
30 his or her life or property as a result of discriminatory
31 laws, policies, or actions targeted against discrete groups of

1 persons between 1920 and 1945, inclusive, in Nazi Germany,
2 areas occupied by Nazi Germany, or countries allied with Nazi
3 Germany.

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

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

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

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

15 626.989 Investigation by department or Division of
16 Insurance Fraud; compliance; immunity; confidential
17 information; reports to division; division investigator's
18 power of arrest.--

19 (9) In recognition of the complementary roles of
20 investigating instances of workers' compensation fraud and
21 enforcing compliance with the workers' compensation coverage
22 requirements under chapter 440, the Department of Financial
23 Services shall prepare and submit a joint performance report
24 to the President of the Senate and the Speaker of the House of
25 Representatives by November 1, 2003, and then by January 1 of
26 each year. The annual report must include, but need not be
27 limited to:

28 (c) The number of investigations undertaken by the
29 Bureau of Workers' Compensation Insurance Fraud ~~office~~ which
30 were not the result of a referral from an insurer or the
31 Division of Workers' Compensation.

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

5 (f) The total number of employees assigned to the
6 Bureau of Workers' Compensation Insurance Fraud ~~office~~ and the
7 Division of Workers' Compensation Bureau of Compliance ~~unit~~
8 delineated by location of staff assigned; and the number and
9 location of employees assigned to the Bureau of Workers'
10 Compensation Insurance Fraud ~~office~~ who were assigned to work
11 other types of fraud cases.

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

14 627.0628 Florida Commission on Hurricane Loss
15 Projection Methodology.--

16 (2) COMMISSION CREATED.--

17 (a) There is created the Florida Commission on
18 Hurricane Loss Projection Methodology, which is assigned to
19 the State Board of Administration. For the purposes of this
20 section, the term "commission" means the Florida Commission on
21 Hurricane Loss Projection Methodology. The commission shall be
22 administratively housed within the State Board of
23 Administration, but it shall independently exercise the powers
24 and duties specified in this section.

25 (b) The commission shall consist of the following 11
26 members:

- 27 1. The insurance consumer advocate.
- 28 2. The senior employee of the State Board of
29 Administration responsible for operations of the Florida
30 Hurricane Catastrophe Fund.

31

1 3. The Executive Director of the Citizens Property
2 Insurance Corporation.

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

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

7 6. An employee of the office who is an actuary
8 responsible for property insurance rate filings and who is
9 appointed by the director of the office.

10 ~~7.6.~~ Five Six members appointed by the Chief Financial
11 Officer, as follows:

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

14 a.b. An actuary who is employed full time by a
15 property and casualty insurer which was responsible for at
16 least 1 percent of the aggregate statewide direct written
17 premium for homeowner's insurance in the calendar year
18 preceding the member's appointment to the commission.

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

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

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

27 ~~e.f.~~ An expert in meteorology who is a full time
28 member of the faculty of the State University System and who
29 specializes in hurricanes.

30 (c) Members designated under subparagraphs (b)1.-5.
31 shall serve on the commission as long as they maintain the

1 respective offices designated in subparagraphs (b)1.-5. The
2 member appointed by the director of the office under
3 subparagraph (b)6. shall serve on the commission until the end
4 of the term of office of the director who appointed him or
5 her, unless removed earlier by the director for cause. Members
6 appointed by the Chief Financial Officer under subparagraph
7 (b)7. subparagraph (b)6. shall serve on the commission until
8 the end of the term of office of the Chief Financial Officer
9 who appointed them, unless earlier removed by the Chief
10 Financial Officer for cause. Vacancies on the commission
11 shall be filled in the same manner as the original
12 appointment.

13 (d) The State Board of Administration shall annually
14 appoint one of the members of the commission to serve as
15 chair.

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

19 (f) The State Board of Administration shall, as a cost
20 of administration of the Florida Hurricane Catastrophe Fund,
21 provide for travel, expenses, and staff support for the
22 commission.

23 (g) There shall be no liability on the part of, and no
24 cause of action of any nature shall arise against, any member
25 of the commission, any member of the State Board of
26 Administration, or any employee of the State Board of
27 Administration for any action taken in the performance of
28 their duties under this section. In addition, the commission
29 may, in writing, waive any potential cause of action for
30 negligence of a consultant, contractor, or contract employee
31 engaged to assist the commission.

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

3 627.6699 Employee Health Care Access Act.--

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

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

7 2. Effective upon this act becoming a law, the board
8 shall consist of the director of the office ~~Chief Financial~~
9 ~~Officer~~ or his or her designee, who shall serve as the
10 chairperson, and 13 additional members who are representatives
11 of carriers and insurance agents and are appointed by the
12 director of the office ~~Chief Financial Officer~~ and serve as
13 follows:

14 a. The director of the office ~~Chief Financial Officer~~
15 shall include representatives of small employer carriers
16 subject to assessment under this subsection. If two or more
17 carriers elect to be risk-assuming carriers, the membership
18 must include at least two representatives of risk-assuming
19 carriers; if one carrier is risk-assuming, one member must be
20 a representative of such carrier. At least one member must be
21 a carrier who is subject to the assessments, but is not a
22 small employer carrier. Subject to such restrictions, at
23 least five members shall be selected from individuals
24 recommended by small employer carriers pursuant to procedures
25 provided by rule of the commission. Three members shall be
26 selected from a list of health insurance carriers that issue
27 individual health insurance policies. At least two of the
28 three members selected must be reinsuring carriers. Two
29 members shall be selected from a list of insurance agents who
30 are actively engaged in the sale of health insurance.

31

1 b. A member appointed under this subparagraph shall
2 serve a term of 4 years and shall continue in office until the
3 member's successor takes office, except that, in order to
4 provide for staggered terms, the director of the office ~~Chief~~
5 ~~Financial Officer~~ shall designate two of the initial
6 appointees under this subparagraph to serve terms of 2 years
7 and shall designate three of the initial appointees under this
8 subparagraph to serve terms of 3 years.

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

11 4. Vacancies on the board shall be filled in the same
12 manner as the original appointment for the unexpired portion
13 of the term.

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

17 Section 79. The transfer of the regulation of
18 adjusters from the Office of Insurance Regulation to the
19 Department of Financial Services by this act shall not affect
20 the regulation of adjusters in any administrative or judicial
21 action of the Office of Insurance Regulation arising out of or
22 involving the Office of Insurance Regulation before or pending
23 on the effective date of this act, and the Department of
24 Financial Services shall be substituted as a party in interest
25 on any such pending action.

26 Section 80. Any license, form, or action that was
27 approved or authorized by the Financial Services Commission or
28 the Office of Insurance Regulation which was otherwise
29 lawfully in use before the effective date of this act may
30 continue to be used or be effective as originally authorized
31

1 or permitted, until the Department of Financial Services
2 otherwise prescribes.

3 Section 81. Upon the effective date of this act, the
4 rules or portions thereof of the Financial Services Commission
5 which govern the regulation of insurance adjusters shall
6 become rules or portions thereof of the Department of
7 Financial Services as is appropriate to the corresponding
8 regulatory or constitutional function and shall remain in
9 effect until specifically amended or repealed in the manner
10 provided by law.

11 Section 82. This act shall take effect July 1, 2004.

12
13 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
14 COMMITTEE SUBSTITUTE FOR
15 CS for SB 2994

- 16
17 - Provides an exemption to the Florida Deceptive and Unfair
18 Trade Practice Act pertaining to commercial real property
19 and provides an exemption for specific causes of action
20 concerning the failure to maintain real property if the
21 Florida Statutes require the owner to comply with
22 specified building codes and provide a cause of action
23 for failure to maintain property.
24
25 - Removes language specifying where state funds are to be
26 deposited if received from the settlement of any action
27 or claim by the state against a person.
28
29 - Continues current law and clarifies that State University
30 System employees are eligible to continue participation
31 in the State Deferred Compensation Program.
- Provides authority to the Department of Financial
Services to contract with entities that receive state
funds for accounting and payroll services. Requires all
remuneration received to be deposited in the General
Revenue Fund and the department is to request cost
recovery of expenses from the Legislative Budget
Commission.