

By Senator Posey

24-1022-05

See HB 501

1 A bill to be entitled
2 An act relating to insurance field
3 representatives and operations; amending s.
4 626.321, F.S.; including service warranty
5 agreement sales covering communications
6 equipment under certain limited licensing
7 provisions; limiting a licensing requirement
8 for a communications equipment retail vendor
9 license; revising certain application and
10 licensing requirements for certain entities;
11 requiring certain fees; providing construction
12 relating to criminal liability or disciplinary
13 proceedings; amending s. 626.471, F.S.;
14 increasing a period of notification of intent
15 to terminate an appointment; amending s.
16 626.731, F.S.; revising a qualification for
17 licensure as a general lines agent; providing
18 an effective date.

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

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22 Section 1. Paragraph (i) of subsection (1) and
23 paragraph (c) of subsection (2) of section 626.321, Florida
24 Statutes, are amended to read:

25 626.321 Limited licenses.--

26 (1) The department shall issue to a qualified
27 individual, or a qualified individual or entity under
28 paragraphs (c), (d), (e), and (i), a license as agent
29 authorized to transact a limited class of business in any of
30 the following categories:
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1 (i) In-transit and storage personal property
2 insurance; communications equipment property insurance, ~~or~~
3 communications equipment inland marine insurance, and
4 communications equipment service warranty agreement sales.--

5 1. A license covering only the insurance of personal
6 property not held for resale, covering the risks of
7 transportation or storage in rented or leased motor vehicles,
8 trailers, or self-service storage facilities, as the latter
9 are defined in s. 83.803, may be issued, without examination,
10 only to employees or authorized representatives of lessors who
11 rent or lease motor vehicles, trailers, or self-service
12 storage facilities and who are authorized by an insurer to
13 issue certificates or other evidences of insurance to lessees
14 of such motor vehicles, trailers, or self-service storage
15 facilities under an insurance policy issued to the lessor. A
16 person licensed under this paragraph shall give a prospective
17 purchaser of in-transit or storage personal property insurance
18 written notice that his or her homeowner's policy may provide
19 coverage for the loss of personal property and that the
20 purchase of such insurance is not required under the lease
21 terms.

22 2. A license covering only communications equipment,
23 for the loss, theft, mechanical failure, malfunction of or
24 damage to, communications equipment. The license may be issued
25 only to:

26 a. Employees or authorized representatives of a
27 licensed general lines agent;

28 b. The primary ~~Each~~ business location of a retail
29 vendor of communications equipment; or

30 c. Employees, agents, or authorized representatives of
31 a retail vendor of communications equipment.

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2 The license authorizes the sale of such policies, or
3 certificates under a group master policy, only with respect to
4 the sale of, or provision of communications service for,
5 communications equipment. A general lines agent is not
6 required to obtain a license under this subparagraph to offer
7 or sell communications equipment property insurance or
8 communication equipment inland marine insurance. The license
9 also authorizes sales of service warranty agreements covering
10 only communications equipment to the same extent as if
11 licensed under s. 634.419 or s. 634.420. The provisions of
12 this chapter requiring submission of fingerprints do not apply
13 to communications equipment licenses issued to qualified
14 entities under this subparagraph. Licensees offering policies
15 under this subparagraph must receive initial training from,
16 and have a contractual relationship with, a general lines
17 agent. An entity seeking a license under this subparagraph and
18 applying for a license pursuant to paragraph (2)(a) may, in
19 lieu of individually licensing each location as provided in
20 paragraph (2)(b), provide a list of each office, branch
21 office, or place of business making use of the entity's
22 business name and transacting business under the entity's
23 license by submitting to the department, in connection with
24 the entity's license application, a list containing the
25 physical address of each such location and an initial \$55 fee
26 for each location. Such list shall be submitted annually to
27 the department together with an initial \$55 fee for any new
28 branch location which was not previously identified as
29 transacting business under such a license and a \$5 transfer
30 fee for each branch location previously identified as
31 transacting business under another such license. Any branch

1 location individually licensed under paragraph (2)(b) prior to
2 January 1, 2006, may surrender its license and be transferred
3 to a list of branch locations for a licensed entity under this
4 subparagraph at no charge. A licensed and appointed entity
5 authorizing transactions under its license at such branch
6 locations shall be directly responsible and accountable for
7 the acts of the listed branch locations under the license.
8 Nothing in this subparagraph shall be construed to render a
9 person criminally liable or subject to any disciplinary
10 proceedings for any act unless such person personally
11 committed or knew or should have known of such act and of the
12 facts constituting a violation of this chapter. For the
13 purposes of this subparagraph, the term "communications
14 equipment" means handsets, pagers, personal digital
15 assistants, portable computers, automatic answering devices,
16 and other devices or accessories used to originate or receive
17 communications signals or service, and includes services
18 related to the use of such devices, such as consumer access to
19 a wireless network; however, the term does not include
20 telecommunications switching equipment, transmission wires,
21 cell site transceiver equipment, or other equipment and
22 systems used by telecommunications companies to provide
23 telecommunications service to consumers.

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

26 (c) Pay the applicable fees for the ~~a~~ license as
27 prescribed in s. 624.501, be appointed under s. 626.112, and
28 pay the prescribed appointment fee under s. 624.501. A
29 licensed and appointed entity shall be directly responsible
30 and accountable for all acts of the licensee's employees.
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1 Section 2. Subsection (1) of section 626.471, Florida
2 Statutes, is amended to read:

3 626.471 Termination of appointment.--

4 (1) Subject to an appointee's contract rights, an
5 appointing entity may terminate its appointment of any
6 appointee at any time. Except when termination is upon a
7 ground which would subject the appointee to suspension or
8 revocation of his or her license and appointment under s.
9 626.611 or s. 626.621, and except as provided by contract
10 between the appointing entity and the appointee, the
11 appointing entity shall give at least 120 ~~60~~ days' advance
12 written notice of its intention to terminate such appointment
13 to the appointee, either by delivery thereof to the appointee
14 in person or by mailing it, postage prepaid, addressed to the
15 appointee at his or her last address of record with the
16 appointing entity. Notice so mailed shall be deemed to have
17 been given when deposited in a United States Postal Service
18 mail depository.

19 Section 3. Paragraph (f) of subsection (1) of section
20 626.731, Florida Statutes, is amended to read:

21 626.731 Qualifications for general lines agent's
22 license.--

23 (1) The department shall not grant or issue a license
24 as general lines agent to any individual found by it to be
25 untrustworthy or incompetent or who does not meet each of the
26 following qualifications:

27 (f) The applicant is not a service representative, ~~a~~
28 ~~managing general agent,~~ or a special agent or similar service
29 representative of a health insurer which also transacts
30 property, casualty, or surety insurance; except that the
31 president, vice president, secretary, or treasurer, including

1 a member of the board of directors, of a corporate insurer, if
2 otherwise qualified under and meeting the requirements of this
3 part, may be licensed and appointed as a local resident agent.

4 Section 4. This act shall take effect upon becoming a
5 law.

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