

By the Committee on Banking and Insurance; and Senator Posey

597-1788-05

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; revising provisions relating to  
8           licensure of branch locations; prescribing  
9           renewal fees for specified branch locations;  
10          amending s. 626.731, F.S.; revising a  
11          qualification for licensure as a general lines  
12          agent; providing an effective date.  
13  
14   Be It Enacted by the Legislature of the State of Florida:  
15  
16          Section 1. Paragraph (i) of subsection (1) and  
17          paragraph (c) of subsection (2) of section 626.321, Florida  
18          Statutes, are amended to read:  
19          626.321 Limited licenses.--  
20               (1) The department shall issue to a qualified  
21          individual, or a qualified individual or entity under  
22          paragraphs (c), (d), (e), and (i), a license as agent  
23          authorized to transact a limited class of business in any of  
24          the following categories:  
25               (i) In-transit and storage personal property  
26          insurance; communications equipment property insurance, ~~or~~  
27          communications equipment inland marine insurance, and  
28          communications equipment service warranty agreement sales.--  
29               1. A license covering only the insurance of personal  
30          property not held for resale, covering the risks of  
31          transportation or storage in rented or leased motor vehicles,

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

15         2. A license covering only communications equipment,  
16 for the loss, theft, mechanical failure, malfunction of or  
17 damage to, communications equipment. The license may be issued  
18 only to:

19             a. Employees or authorized representatives of a  
20 licensed general lines agent;

21             b. ~~The lead~~ Each business location of a retail vendor  
22 of communications equipment and its branch locations; or

23             c. Employees, agents, or authorized representatives of  
24 a retail vendor of communications equipment.

25  
26 The license authorizes the sale of such policies, or  
27 certificates under a group master policy, only with respect to  
28 the sale of, or provision of communications service for,  
29 communications equipment. A general lines agent is not  
30 required to obtain a license under this subparagraph to offer  
31 or sell communications equipment property insurance or

1 | communication equipment inland marine insurance. The license  
2 | also authorizes sales of service warranty agreements covering  
3 | only communications equipment to the same extent as if  
4 | licensed under s. 634.419 or s. 634.420. The provisions of  
5 | this chapter requiring submission of fingerprints do not apply  
6 | to communications equipment licenses issued to qualified  
7 | entities under this subparagraph. Licensees offering policies  
8 | under this subparagraph must receive initial training from,  
9 | and have a contractual relationship with, a general lines  
10 | agent. For the purposes of this subparagraph, the term  
11 | "communications equipment" means handsets, pagers, personal  
12 | digital assistants, portable computers, automatic answering  
13 | devices, and other devices or accessories used to originate or  
14 | receive communications signals or service, and includes  
15 | services related to the use of such devices, such as consumer  
16 | access to a wireless network; however, the term does not  
17 | include telecommunications switching equipment, transmission  
18 | wires, cell site transceiver equipment, or other equipment and  
19 | systems used by telecommunications companies to provide  
20 | telecommunications service to consumers.

21 |         3. A branch location licensed pursuant to paragraph  
22 | (2)(b) may, in lieu of obtaining an appointment from an  
23 | insurer or warranty association as provided in paragraph  
24 | (2)(c), obtain a single appointment from the associated lead  
25 | location licensee licensed under paragraph (2)(a) and pay the  
26 | prescribed appointment fee under s. 624,501 provided that the  
27 | lead location has a single appointment from each insurer or  
28 | warranty association represented and such appointment provides  
29 | that it applies to the lead location and all of its branch  
30 | locations. Any branch location individually appointed by an  
31 | insurer under paragraph (2)(c) prior to January 1, 2006, may

1 replace its appointments with an appointment from its lead  
2 location at no charge. Branch location appointments shall  
3 renew on the first annual anniversary of licensure of the lead  
4 location occurring more than 24 months after the initial  
5 appointment date and every 24 months thereafter.  
6 Notwithstanding s. 624.501, after July 1, 2006, the renewal  
7 fee applicable to such branch location appointments shall be  
8 \$30 per appointment.

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

11 (c) Pay the applicable fees for a license as  
12 prescribed in s. 624.501, be appointed under s. 626.112, and  
13 pay the prescribed appointment fee under s. 624.501. A  
14 licensed and appointed entity shall be directly responsible  
15 and accountable for all acts of the licensee's employees.

16 Section 2. Paragraph (f) of subsection (1) of section  
17 626.731, Florida Statutes, is amended to read:

18 626.731 Qualifications for general lines agent's  
19 license.--

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

24 (f) The applicant is not a service representative, a  
25 managing general agent licensed in this state, or a special  
26 agent or similar service representative of a health insurer  
27 which also transacts property, casualty, or surety insurance;  
28 except that the president, vice president, secretary, or  
29 treasurer, including a member of the board of directors, of a  
30 corporate insurer, if otherwise qualified under and meeting  
31

1 | the requirements of this part, may be licensed and appointed  
2 | as a local resident agent.

3 |         Section 3. This act shall take effect upon becoming a  
4 | law.

5 |  
6 |                   STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
7 |                   COMMITTEE SUBSTITUTE FOR  
8 |                   Senate Bill 1002

9 | Authorizes limited agent licenses to be issued to the "lead"  
10 | business location of a retail vendor of communications  
11 | equipment and its branch locations.

12 | Allows a communications equipment branch location to obtain a  
13 | single appointment from its associated lead business licensee,  
14 | in lieu of obtaining an appointment from an insurer or  
15 | warranty association.

16 | Allows a communications equipment branch location appointed by  
17 | an insurer prior to January 1, 2006, to replace its  
18 | appointment with an appointment from its associated lead  
19 | business licensee at no charge, and to renew its appointment  
20 | every 24 months thereafter with the Department of Financial  
21 | Services.

22 | Reduces the renewal appointment fee for branch locations from  
23 | \$60 to \$30 beginning July 1, 2006.

24 | Removes the provision which expanded the notice requirement  
25 | from 60 to 120 days relating to the termination of an agent's  
26 | appointment.

27 | Allows a general lines agent to be licensed in Florida and be  
28 | licensed as a managing general agent in another state.

29 |  
30 |  
31 |