

By the Committees on Commerce and Consumer Services; Banking and Insurance; and Senator Posey

577-2148-05

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; amending s. 627.7295, F.S.; removing a

13 provision requiring that a per-policy fee be

14 included in a motor vehicle insurer's rate

15 filing; providing an effective date.

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

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19 Section 1. Paragraph (i) of subsection (1) and

20 paragraph (c) of subsection (2) of section 626.321, Florida

21 Statutes, are amended to read:

22 626.321 Limited licenses.--

23 (1) The department shall issue to a qualified

24 individual, or a qualified individual or entity under

25 paragraphs (c), (d), (e), and (i), a license as agent

26 authorized to transact a limited class of business in any of

27 the following categories:

28 (i) In-transit and storage personal property

29 insurance; communications equipment property insurance, ~~or~~

30 communications equipment inland marine insurance, and

31 communications equipment service warranty agreement sales.--

CODING: Words ~~stricken~~ are deletions; words underlined are additions.

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

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

22 a. Employees or authorized representatives of a
23 licensed general lines agent;

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

26 c. Employees, agents, or authorized representatives of
27 a retail vendor of communications equipment.

28
29 The license authorizes the sale of such policies, or
30 certificates under a group master policy, only with respect to
31 the sale of, or provision of communications service for,

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

24 | 3. A branch location licensed pursuant to paragraph
25 | (2)(b) may, in lieu of obtaining an appointment from an
26 | insurer or warranty association as provided in paragraph
27 | (2)(c), obtain a single appointment from the associated lead
28 | location licensee licensed under paragraph (2)(a) and pay the
29 | prescribed appointment fee under s. 624,501 provided that the
30 | lead location has a single appointment from each insurer or
31 | warranty association represented and such appointment provides

1 that it applies to the lead location and all of its branch
2 locations. Any branch location individually appointed by an
3 insurer under paragraph (2)(c) prior to January 1, 2006, may
4 replace its appointments with an appointment from its lead
5 location at no charge. Branch location appointments shall
6 renew on the first annual anniversary of licensure of the lead
7 location occurring more than 24 months after the initial
8 appointment date and every 24 months thereafter.
9 Notwithstanding s. 624.501, after July 1, 2006, the renewal
10 fee applicable to such branch location appointments shall be
11 \$30 per appointment.

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

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

19 Section 2. 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 licensed in this state, or a special
29 agent or similar service representative of a health insurer
30 which also transacts property, casualty, or surety insurance;
31 except that the president, vice president, secretary, or

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

5 | Section 3. Subsection (5) of section 627.7295, Florida
6 | Statutes, is amended to read:

7 | 627.7295 Motor vehicle insurance contracts.--

8 | (5)(a) A licensed general lines agent may charge a
9 | per-policy fee not to exceed \$10 to cover the administrative
10 | costs of the agent associated with selling the motor vehicle
11 | insurance policy if the policy covers only personal injury
12 | protection coverage as provided by s. 627.736 and property
13 | damage liability coverage as provided by s. 627.7275 and if no
14 | other insurance is sold or issued in conjunction with or
15 | collateral to the policy. ~~The per policy fee must be a~~
16 | ~~component of the insurer's rate filing and may not be charged~~
17 | ~~by an agent unless the fee is included in the filing.~~ The fee
18 | is not considered part of the premium ~~except for purposes of~~
19 | ~~the office's review of expense factors in a filing made~~
20 | ~~pursuant to s. 627.062.~~

21 | (b) To the extent that a licensed general agent's cost
22 | of obtaining motor vehicle reports on applicants for motor
23 | vehicle insurance is not otherwise compensated, the agent may,
24 | in addition to any other fees authorized by law, charge an
25 | applicant for motor vehicle insurance a reasonable,
26 | nonrefundable fee to reimburse the agent the actual cost of
27 | obtaining the report for each licensed driver when the motor
28 | vehicle report is obtained by the agent simultaneously with
29 | the preparation of the application for use in the calculation
30 | of premium or in the proper placement of the risk. The amount
31 | of the fee may not exceed the agent's actual cost in obtaining

1 | the report which is not otherwise compensated. Actual cost is
2 | the cost of obtaining the report on an individual driver basis
3 | when so obtained or the pro rata cost per driver when the
4 | report is obtained on more than one driver; however, in no
5 | case may actual cost include subscription or access fees
6 | associated with obtaining motor vehicle reports on-line
7 | through any electronic transmissions program.

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

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STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
COMMITTEE SUBSTITUTE FOR
CS/SB 1002

This committee substitute differs from the original committee substitute in that it includes a new section to delete the requirement that insurers include the per policy fee in their rate filings.