CHAMBER ACTION
          Senate   House
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       05/04/2005 11:09 AM   .
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11   Senator Baker moved the following amendment:

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13   **Senate Amendment (with title amendment)**

14   On page 39, between lines 20 and 21,

15

16   insert:

17   Section 34. Section 628.511, Florida Statutes, is

18   amended to read:

19   628.511 Clearing corporations Book entry accounting

20   system.--

21   (1) The purpose of this section is to authorize

22   domestic insurers to utilize modern systems for holding and

23   transferring securities without physical delivery of

24   securities certificates, subject to appropriate rules of the

25   commission.

26   (2) The following terms are defined for use in this

27   section:

28   (a) "Securities" means instruments as defined in s.

29   678.1021.

30   (b) "Clearing corporation" means a clearing

31   corporation as defined in s. 678.1021. The term "clearing

1 <u>corporation" also includes "Treasury/Reserve Automated Debt</u>

2 <u>Entry Securities System" and "Treasury Direct" book-entry</u>

3 <u>securities systems established pursuant to 31 U.S.C. ss. 3100</u>

4 <u>et seq., 12 U.S.C. 391 and 5 U.S.C. 301.</u>

5   (c) <u>"Custodian"</u><s>"Direct participant"</s> means a national

6 bank, state bank<u>,</u> <s>or</s> trust company<u>, or broker/dealer that</u>

7 <s>which maintains an account in its name in a clearing</s>

8 <s>corporation and through which an insurance company</s>

9 <s>participates in a clearing corporation.</s>

10   <s>(d) "Federal Reserve book-entry system" means the</s>

11 <s>computerized systems sponsored by the United States Department</s>

12 <s>of the Treasury and agencies and instrumentalities of the</s>

13 <s>United States for holding and transferring securities of the</s>

14 <s>United States Government and such agencies and</s>

15 <s>instrumentalities, respectively, in Federal Reserve banks</s>

16 <s>through banks which are members of the Federal Reserve System</s>

17 <s>or which otherwise have access to such computerized systems.</s>

18   <s>(e) "Member bank" means a national bank, state bank or</s>

19 <s>trust company which is a member of the Federal Reserve System</s>

20 <s>and through which an insurer participates in the Federal</s>

21 <s>Reserve book-entry system.</s>

22   (3) Notwithstanding any other provision of law, a

23 domestic insurer may deposit or arrange for the deposit of

24 securities held in or purchased for its general account and

25 its separate accounts in a clearing corporation <s>or in the</s>

26 <s>Federal Reserve book-entry system</s>. When securities are

27 deposited with a clearing corporation, certificates

28 representing securities of the same class of the same issuer

29 may be merged and held in bulk in the name of the nominee of

30 such clearing corporation with any other securities deposited

31 with such clearing corporation by any person, regardless of

1 the ownership of such securities, and certificates

2 representing securities of small denominations may be merged

3 into one or more certificates of larger denominations. The

4 records of any <u>custodian</u> ~~bank~~ through which an insurer holds

5 securities in ~~the Federal Reserve book-entry system, and the~~

6 ~~records of any custodian banks through which an insurer holds~~

7 ~~securities in~~ a clearing corporation, shall at all times show

8 that such securities are held for such insurer and for which

9 accounts thereof. Ownership of, and other interests in, such

10 securities may be transferred by bookkeeping entry on the

11 books of such clearing corporation ~~or in the Federal Reserve~~

12 ~~book-entry system~~ without~~, in either case,~~ physical delivery

13 of certificates representing such securities.

14 　　　　(4)　 The commission may adopt rules governing the

15 deposit by insurers of securities with clearing corporations

16 ~~and in the Federal Reserve book-entry system~~.

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18 (Redesignate subsequent sections.)

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21 =============== T I T L E　 A M E N D M E N T ===============

22 And the title is amended as follows:

23 　　　　Delete everything before the enacting clause

24

25 and insert:

26 　　　　　　　　A bill to be entitled

27 　　　　An act relating to insurance; amending s.

28 　　　　624.317, F.S.; including insurance agencies

29 　　　　among entities the Department of Financial

30 　　　　Services is authorized to investigate; amending

31 　　　　s. 624.318, F.S.; providing for electronic

1   scanning in the course of investigations and

2   examinations; amending s. 624.501, F.S.;

3   clarifying a license fee; amending s. 626.015,

4   F.S.; redefining the term "home state";

5   defining the term "resident"; amending s.

6   626.016, F.S.; including insurance agencies

7   among entities subject to regulation by the

8   Chief Financial Officer; amending s. 626.025,

9   F.S.; correcting cross-references; amending s.

10   626.112, F.S.; delaying the effective date by

11   which agencies must obtain a license; providing

12   that an agency may file for registration in

13   lieu of licensure, under specified conditions;

14   imposing a fine on any agency that fails to

15   timely apply for licensure or registration;

16   deleting certain agency licensure requirement

17   provisions; amending s. 626.171, F.S.;

18   specifying licensure and registration

19   application requirements for insurance entities

20   other than insurance agencies; deleting a

21   provision applying to insurance agency license

22   application requirements; amending s. 626.172,

23   F.S.; revising insurance agency licensure

24   application requirements; providing procedures

25   and limitations; providing duties of the

26   department; amending s. 626.221, F.S.; revising

27   examination requirements; amending s. 626.2815,

28   F.S.; revising continuing education

29   requirements; amending ss. 626.292 and 626.321,

30   F.S.; correcting cross-references, to conform;

31   amending s. 626.342, F.S.; including insurance

 1   agencies under provisions prohibiting

 2   furnishing supplies to certain unlicensed

 3   agents and imposing civil liability under

 4   certain circumstances; amending s. 626.382,

 5   F.S.; providing for renewal of licenses;

 6   amending s. 626.451, F.S.; revising

 7   requirements for appointment; amending s.

 8   626.536, F.S.; including insurance agencies

 9   under an action reporting requirement; amending

10   s. 626.561, F.S.; including insurance agencies

11   under provisions providing funds reporting and

12   accounting requirements and imposing criminal

13   penalties; amending s. 626.572, F.S.; including

14   insurance agencies under provision prohibiting

15   rebating under certain circumstances; amending

16   s. 626.601, F.S.; including insurance agencies

17   under provisions authorizing the department to

18   inquire into improper conduct; creating s.

19   626.602, F.S.; authorizing the department to

20   disapprove the use of certain names under

21   certain circumstances; amending s. 626.6115,

22   F.S.; providing an additional ground for the

23   department to take compulsory adverse insurance

24   agency license actions; providing that the

25   existence of grounds for adverse action against

26   a licensed agency does not constitute grounds

27   for adverse action against another licensed

28   agency; amending s. 626.6215, F.S.; providing

29   an additional ground for the department to take

30   discretionary adverse insurance agency license

31   actions; providing that the existence of

 1   grounds for adverse action against a licensed

 2   agency does not constitute grounds for adverse

 3   action against another licensed agency;

 4   amending s. 626.747, F.S.; revising agent

 5   requirements for branch agencies to include

 6   life or health agents; amending s. 626.621,

 7   F.S.; revising criteria for the department's

 8   refusal, suspension or revocation of a license

 9   or appointment; amending s. 626.641, F.S.;

10   providing requirements for reinstatement of a

11   previously suspended license or appointment;

12   revising criteria for reapplication and

13   requalification for a previously revoked

14   license or appointment; amending s. 626.7351,

15   F.S.; revising the qualifications for a

16   customer representative's license; amending ss.

17   626.7355 and 626.8411, F.S.; deleting

18   cross-references, to conform; creating s.

19   626.84201, F.S.; providing for the issuance of

20   a nonresident title insurance agent license;

21   amending s. 648.50, F.S.; revising the persons

22   whose license or appointment may be revoked or

23   suspended when a bail bond's license or

24   appointment is revoked or suspended; repealing

25   s. 626.592, F.S., relating to primary agents;

26   creating s. 624.1275, F.S.; providing a

27   restriction for state agencies or political

28   subdivisions from preventing a licensed agent

29   from responding to a bid or negotiation for an

30   insurance product; amending s. 628.511, F.S.;

31   revising the definitions of the terms "clearing

1   corporation" and "custodian"; deleting

2   definitions of the terms "book entry system"

3   and "member bank" and making conforming

4   changes; providing an effective date.

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