

By Senator Argenziano

3-996-05

1 A bill to be entitled
2 An act relating to insurance agents and
3 agencies; amending s. 624.501, F.S.; clarifying
4 a license fee; amending s. 626.016, F.S.;
5 subjecting insurance agencies to regulation by
6 the Chief Financial Officer; amending s.
7 626.112, F.S.; delaying the effective date by
8 which agencies must obtain a license; providing
9 that an agency may file for registration in
10 lieu of licensure, under specified conditions;
11 imposing a fine on any agency that fails to
12 timely apply for licensure or registration;
13 amending s. 626.171, F.S.; specifying licensure
14 and registration application requirements for
15 insurance entities other than insurance
16 agencies; deleting a provision applying to
17 insurance agencies; amending s. 626.172, F.S.;
18 revising insurance agency licensure application
19 requirements; amending s. 626.342, F.S.;
20 including insurance agencies under provisions
21 prohibiting furnishing supplies to certain
22 unlicensed agents and imposing civil liability
23 under certain circumstances; amending s.
24 626.382, F.S.; requiring licensure renewal
25 application forms to be adopted; amending s.
26 626.536, F.S.; including insurance agencies
27 under an action-reporting requirement; amending
28 s. 626.561, F.S.; including insurance agencies
29 under provisions providing funds reporting and
30 accounting requirements and imposing criminal
31 penalties; amending s. 626.572, F.S.; including

1 insurance agencies under provisions prohibiting
2 rebating; amending s. 626.601, F.S.; including
3 insurance agencies under provisions authorizing
4 the department to inquire into improper
5 conduct; creating s. 626.602, F.S.; authorizing
6 the Department of Financial Services to
7 disapprove the use of certain names under
8 certain circumstances; amending s. 626.6115,
9 F.S.; providing an additional ground for the
10 department to take compulsory adverse insurance
11 agency license actions; providing that grounds
12 for adverse action against a licensed agency do
13 not necessarily constitute grounds for adverse
14 action against another licensed agency, even if
15 there is common ownership; amending s.
16 626.6215, F.S.; providing an additional ground
17 for the department to take discretionary
18 adverse insurance agency license actions;
19 providing that grounds for adverse action
20 against a licensed agency do not necessarily
21 constitute grounds for adverse action against
22 another licensed agency, even if there is
23 common ownership; amending ss. 626.292,
24 626.321, F.S.; conforming cross-references;
25 repealing s. 626.592, F.S., relating to primary
26 agents; amending s. 626.747, F.S.; requiring
27 each branch agency to have a licensed general
28 lines agent or life or health agents; providing
29 an effective date.

30
31 Be It Enacted by the Legislature of the State of Florida:

1 Section 1. Subsection (20) of section 624.501, Florida
2 Statutes, is amended to read:

3 624.501 Filing, license, appointment, and
4 miscellaneous fees.--The department, commission, or office, as
5 appropriate, shall collect in advance, and persons so served
6 shall pay to it in advance, fees, licenses, and miscellaneous
7 charges as follows:

8 (20) ~~Insurance agency or~~ Adjusting firm, 3-year
9 license.....\$60.00

10 Section 2. Subsection (1) of section 626.016, Florida
11 Statutes, is amended to read:

12 626.016 Powers and duties of department, commission,
13 and office.--

14 (1) The powers and duties of the Chief Financial
15 Officer and the department specified in this part apply only
16 with respect to insurance agents, insurance agencies, managing
17 general agents, insurance adjusters, reinsurance
18 intermediaries, viatical settlement brokers, customer
19 representatives, service representatives, and agencies.

20 Section 3. Subsection (7) of section 626.112, Florida
21 Statutes, is amended to read:

22 626.112 License and appointment required; agents,
23 customer representatives, adjusters, insurance agencies,
24 service representatives, managing general agents.--

25 (7)(a) Effective October 1, 2006, an ~~no~~ individual,
26 firm, partnership, corporation, association, or any other
27 entity may not ~~shall~~ act in its own name or under a trade
28 name, directly or indirectly, as an insurance agency, ~~when~~
29 ~~required to be licensed by this subsection,~~ unless it complies
30 with s. 626.172 with respect to possessing an insurance agency
31 license for each place of business at which it engages in any

1 activity ~~that which~~ may be performed only by a licensed
2 insurance agent. Each agency engaged in business in this state
3 before January 1, 2001, which is wholly owned by insurance
4 agents currently licensed and appointed under this chapter,
5 each incorporated agency whose voting shares are traded on a
6 securities exchange, and each agency whose primary function is
7 offering insurance as a service or member benefit to members
8 of a nonprofit corporation may file an application for
9 registration in lieu of licensure in accordance with s.
10 626.172(3). Each agency engaged in business before October 1,
11 2006, shall file an application for licensure or registration
12 on or before October 1, 2006.

13 1. If an agency is required to be licensed but fails
14 to file an application for licensure in accordance with this
15 section, the department shall impose on the agency an
16 administrative penalty in an amount of up to \$10,000.

17 2. If an agency is eligible for registration but fails
18 to file an application for registration or an application for
19 licensure in accordance with this section, the department
20 shall impose on the agency an administrative penalty in an
21 amount of up to \$5,000.

22 (b) A registered ~~An~~ insurance agency shall, as a
23 condition precedent to continuing business, obtain an
24 insurance agency license if the department finds that, with
25 respect to any majority owner, partner, manager, director,
26 officer, or other person who manages or controls the agency,
27 any person has, ~~subsequent to the effective date of this act:~~

28 1. Been found guilty of, or has pleaded guilty or nolo
29 contendere to, a felony in this state or any other state
30 relating to the business of insurance or to an insurance
31

1 agency, without regard to whether a judgment of conviction has
2 been entered by the court having jurisdiction of the cases.

3 2. Employed any individual in a managerial capacity or
4 in a capacity dealing with the public who is under an order of
5 revocation or suspension issued by the department. An
6 insurance agency may request, on forms prescribed by the
7 department, verification of any person's license status. If a
8 request is mailed within 5 working days after an employee is
9 hired, and the employee's license is currently suspended or
10 revoked, the agency shall not be required to obtain a license,
11 if the unlicensed person's employment is immediately
12 terminated.

13 3. Operated the agency or permitted the agency to be
14 operated in violation of s. 626.747.

15 4. With such frequency as to have made the operation
16 of the agency hazardous to the insurance-buying public or
17 other persons:

18 a. Solicited or handled controlled business. This
19 subparagraph shall not prohibit the licensing of any lending
20 or financing institution or creditor, with respect to
21 insurance only, under credit life or disability insurance
22 policies of borrowers from the institutions, which policies
23 are subject to part IX of chapter 627.

24 b. Misappropriated, converted, or unlawfully withheld
25 moneys belonging to insurers, insureds, beneficiaries, or
26 others and received in the conduct of business under the
27 license.

28 c. Unlawfully rebated, attempted to unlawfully rebate,
29 or unlawfully divided or offered to divide commissions with
30 another.

31

1 d. Misrepresented any insurance policy or annuity
2 contract, or used deception with regard to any policy or
3 contract, done either in person or by any form of
4 dissemination of information or advertising.

5 e. Violated any provision of this code or any other
6 law applicable to the business of insurance in the course of
7 dealing under the license.

8 f. Violated any lawful order or rule of the
9 department.

10 g. Failed or refused, upon demand, to pay over to any
11 insurer he or she represents or has represented any money
12 coming into his or her hands belonging to the insurer.

13 h. Violated the provision against twisting as defined
14 in s. 626.9541(1)(1).

15 i. In the conduct of business, engaged in unfair
16 methods of competition or in unfair or deceptive acts or
17 practices, as prohibited under part IX of this chapter.

18 j. Willfully overinsured any property insurance risk.

19 k. Engaged in fraudulent or dishonest practices in the
20 conduct of business arising out of activities related to
21 insurance or the insurance agency.

22 l. Demonstrated lack of fitness or trustworthiness to
23 engage in the business of insurance arising out of activities
24 related to insurance or the insurance agency.

25 m. Authorized or knowingly allowed individuals to
26 transact insurance who were not then licensed as required by
27 this code.

28 5. Knowingly employed any person who within the
29 preceding 3 years has had his or her relationship with an
30 agency terminated in accordance with paragraph (d).
31

1 6. Willfully circumvented the requirements or
2 prohibitions of this code.

3 ~~(c) An agency required to be licensed in accordance~~
4 ~~with paragraph (b) shall remain so licensed for a period of 3~~
5 ~~years from the date of licensure unless the license is~~
6 ~~suspended or revoked in accordance with law. The department~~
7 ~~may revoke or suspend the agency authority to do business for~~
8 ~~activities occurring during the time the agency is licensed,~~
9 ~~regardless of whether the licensing period has terminated.~~

10 ~~(d) Notwithstanding the provisions of this subsection,~~
11 ~~no insurance agency shall be required to apply for an agency~~
12 ~~license if such agency can prove to the department that:~~

13 1. ~~The agency is severing its relationship with each~~
14 ~~majority owner, partner, manager, director, officer, or other~~
15 ~~person who managed or controlled such agency and who violated~~
16 ~~any of the provisions of paragraph (b).~~

17 2. ~~No such majority owner, partner, manager, director,~~
18 ~~officer, or other person who managed such agency is to be~~
19 ~~affiliated with such agency in any capacity for a period of 3~~
20 ~~years from the date of such severance.~~

21 Section 4. Section 626.171, Florida Statutes, is
22 amended to read:

23 626.171 Application for license as agent, customer
24 representative, adjuster, service representative, managing
25 general agent, or reinsurance intermediary.--

26 (1) The department shall not issue a license as agent,
27 customer representative, adjuster, ~~insurance agency,~~ service
28 representative, managing general agent, or reinsurance
29 intermediary to any person except upon written application
30 therefor filed with it, qualification therefor, and payment in
31 advance of all applicable fees. Any such application shall be

1 made under the oath of the applicant and be signed by the
2 applicant. ~~Beginning November 1, 2002,~~ The department shall
3 accept the uniform application for nonresident agent
4 licensing. The department may adopt revised versions of the
5 uniform application by rule.

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

7 (a) His or her full name, age, social security number,
8 residence address, business address, and mailing address.

9 (b) Proof that he or she has completed or is in the
10 process of completing any required prelicensing course.

11 (c) Whether he or she has been refused or has
12 voluntarily surrendered or has had suspended or revoked a
13 license to solicit insurance by the department or by the
14 supervising officials of any state.

15 (d) Whether any insurer or any managing general agent
16 claims the applicant is indebted under any agency contract or
17 otherwise and, if so, the name of the claimant, the nature of
18 the claim, and the applicant's defense thereto, if any.

19 (e) Proof that the applicant meets the requirements
20 for the type of license for which he or she is applying.

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

26 ~~(3) An application for an insurance agency license~~
27 ~~shall be signed by the owner or owners of the agency. If the~~
28 ~~agency is incorporated, the application shall be signed by the~~
29 ~~president and secretary of the corporation.~~

30 (3)(4) Each application shall be accompanied by
31 payment of any applicable fee.

1 ~~(4)(5)~~ An application for a license as an agent,
2 customer representative, adjuster, ~~insurance agency~~, service
3 representative, managing general agent, or reinsurance
4 intermediary must be accompanied by a set of the individual
5 applicant's fingerprints, or, if the applicant is not an
6 individual, by a set of the fingerprints of the sole
7 proprietor, majority owner, partners, officers, and directors,
8 on a form adopted by rule of the department and accompanied by
9 the fingerprint processing fee set forth in s. 624.501.
10 Fingerprints shall be used to investigate the applicant's
11 qualifications pursuant to s. 626.201. The fingerprints shall
12 be taken by a law enforcement agency or other
13 department-approved entity.

14 ~~(5)(6)~~ The application for license filing fee
15 prescribed in s. 624.501 is not subject to refund.

16 ~~(6)(7)~~ Pursuant to the federal Personal Responsibility
17 and Work Opportunity Reconciliation Act of 1996, each party is
18 required to provide his or her social security number in
19 accordance with this section. Disclosure of social security
20 numbers obtained through this requirement shall be limited to
21 the purpose of administration of the Title IV-D program for
22 child support enforcement.

23 Section 5. Section 626.172, Florida Statutes, is
24 amended to read:

25 626.172 Application for insurance agency license.--

26 (1) The department may issue a license as an insurance
27 agency to any person only after such person files a written
28 application with the department and qualifies for such
29 license. If any majority owner, partner, officer, or director
30 of an insurance agency:

31

1 ~~(a) Has been found guilty of, or has pleaded guilty or~~
2 ~~nolo contendere to, a felony relating to the business of~~
3 ~~insurance in this state or any other state or federal court,~~
4 ~~regardless of whether a judgment of conviction has been~~
5 ~~entered by the court having jurisdiction of such cases; or~~

6 ~~(b) Has been denied a license relating to the business~~
7 ~~of insurance, or has had his or her license to practice or~~
8 ~~conduct any regulated profession, business, or vocation~~
9 ~~relating to the business of insurance revoked or suspended, by~~
10 ~~this or any other state, any nation, any possession or~~
11 ~~district of the United States, or any court, or any lawful~~
12 ~~agency thereof;~~

13
14 ~~the insurance agency and any subsidiary or branch thereof~~
15 ~~shall obtain a license from the department pursuant to this~~
16 ~~section.~~

17 (2) An application for an insurance agency license
18 shall be signed by the owner or owners of the agency. If the
19 agency is incorporated, the application shall be signed by the
20 president and secretary of the corporation. The application
21 for an insurance agency license shall include:

22 (a) The name of each majority owner, partner, officer,
23 and director of the insurance agency.

24 (b) The residence address of each person required to
25 be listed in the application under paragraph (a).

26 (c) The name of the insurance agency and its principal
27 business address.

28 (d) The location of each agency office and the name
29 under which each agency office conducts or will conduct
30 business.

31

1 (e) The name of each agent to be in full-time charge
2 of an agency office and specification of which office.

3 (f) Fingerprints for each of the following:

4 1. A sole proprietor;

5 2. Each partner;

6 3. Each owner of an unincorporated agency;

7 4. Each owner who directs or participates in the
8 management or control of an incorporated agency whose shares
9 are not traded on a securities exchange;

10 5. Each owner of 10 percent or more of the voting
11 shares of a corporation which are traded on a securities
12 exchange who directs or participates in the management or
13 control of an incorporated agency;

14 6. The president, senior vice-presidents, treasurer,
15 secretary, and directors of the agency; and

16 7. Any other person who directs or participates in the
17 management or control of the agency, whether through the
18 ownership of voting securities, by contract, or otherwise.

19
20 Fingerprints must be taken by a law enforcement agency or
21 other entity approved by the department and must be
22 accompanied by the fingerprint processing fee specified in s.
23 624.501. However, fingerprints need not be filed for any
24 individual who is currently licensed and appointed under this
25 chapter. ~~The name of any person to whom subsection (1)~~
26 ~~applies.~~

27 (g) Such additional information as the department
28 requires by promulgated rule to ascertain the trustworthiness
29 and competence of persons required to be listed on the
30 application and to ascertain that such persons meet the
31 requirements of this code. However, the department may not

1 require that credit or character reports be submitted for
2 persons required to be listed on the application.

3 (h) Beginning July 1, 2005, the department shall
4 accept the uniform application for nonresident agency
5 licensure. The department may adopt by rule revised versions
6 of the uniform application.

7 (3) The department shall issue a registration as an
8 insurance agency to any agency that files a written
9 application with the department and qualifies for
10 registration. The application for registration shall require
11 the agency to provide the same information required for an
12 agency licensed under subsection (2), the agent identification
13 number for each owner who is a licensed agent, proof that the
14 agency qualifies for registration as provided in s.
15 626.112(7), and any additional information that the department
16 determines is necessary in order to demonstrate that the
17 agency qualifies for registration, except that paragraph
18 (2)(f) does not apply to corporations whose voting shares are
19 traded on a securities exchange. The application must be
20 signed by the owner or owners of the agency. If the agency is
21 incorporated, the application must be signed by the president
22 and the secretary of the corporation. An agent who owns the
23 agency need not file fingerprints with the department if the
24 agent obtained a license under this chapter and the license is
25 currently valid.

26 (a) If an application for registration is denied, the
27 agency must file an application for licensure no later than 30
28 days after the date of the denial of registration.

29 (b) A registered insurance agency must file an
30 application for licensure no later than 30 days after the date
31 that any person who is not a licensed and appointed agent in

1 this state acquires any ownership interest in the agency. If
2 an agency fails to file an application for licensure in
3 compliance with this paragraph, the department shall impose an
4 administrative penalty on the agency in an amount of up to
5 \$5,000.

6 (c) Sections 626.6115 and 626.6215 do not apply to
7 agencies registered under this subsection.

8 (4) The department shall issue a license or
9 registration to each agency upon approval of the application,
10 and each agency shall display the license or registration
11 prominently in a manner that makes it clearly visible to any
12 customer or potential customer who enters the agency.

13 Section 6. Subsections (1) and (2) of section 626.342,
14 Florida Statutes, are amended to read:

15 626.342 Furnishing supplies to unlicensed life,
16 health, or general lines agent prohibited; civil liability.--

17 (1) An insurer, a managing general agent, an insurance
18 agency, or an agent, directly or through any representative,
19 may not furnish to any agent any blank forms, applications,
20 stationery, or other supplies to be used in soliciting,
21 negotiating, or effecting contracts of insurance on its behalf
22 unless such blank forms, applications, stationery, or other
23 supplies relate to a class of business with respect to which
24 the agent is licensed and appointed, whether for that insurer
25 or another insurer.

26 (2) Any insurer, general agent, insurance agency, or
27 agent who furnishes any of the supplies specified in
28 subsection (1) to any agent or prospective agent not appointed
29 to represent the insurer and who accepts from or writes any
30 insurance business for such agent or agency is subject to
31 civil liability to any insured of such insurer to the same

1 extent and in the same manner as if such agent or prospective
2 agent had been appointed or authorized by the insurer or such
3 agent to act in its or his or her behalf. The provisions of
4 this subsection do not apply to insurance risk apportionment
5 plans under s. 627.351.

6 Section 7. Section 626.382, Florida Statutes, is
7 amended to read:

8 626.382 Continuation, expiration of license; insurance
9 agencies.--The license of any insurance agency shall be issued
10 for a period of 3 years, ~~subject to the payment of the fees~~
11 ~~prescribed in s. 624.501~~, and shall continue in force until
12 canceled, suspended, revoked, or otherwise terminated. Renewal
13 requests shall be made by submitting to the department a form
14 adopted by departmental rule.

15 Section 8. Section 626.536, Florida Statutes, is
16 amended to read:

17 626.536 Reporting of actions.--Each An agent and
18 insurance agency shall submit to the department, within 30
19 days after the final disposition of any administrative action
20 taken against the agent by a governmental agency in this or
21 any other state or jurisdiction relating to the business of
22 insurance, the sale of securities, or activity involving
23 fraud, dishonesty, trustworthiness, or breach of a fiduciary
24 duty, a copy of the order, consent to order, or other relevant
25 legal documents. The department may adopt rules implementing
26 the provisions of this section.

27 Section 9. Subsections (1) and (3) of section 626.561,
28 Florida Statutes, are amended to read:

29 626.561 Reporting and accounting for funds.--
30 (1) All premiums, return premiums, or other funds
31 belonging to insurers or others received by an insurance

1 agency, agent, customer representative, or adjuster in
2 transactions under the ~~his or her~~ license are trust funds
3 received by the licensee in a fiduciary capacity. An agent or
4 insurance agency shall keep the funds belonging to each
5 insurer for which an agent ~~he or she~~ is not appointed, other
6 than a surplus lines insurer, in a separate account so as to
7 allow the department or office to properly audit such funds.
8 The licensee in the applicable regular course of business
9 shall account for and pay the same to the insurer, insured, or
10 other person entitled thereto.

11 (3) Any insurance agency, agent, customer
12 representative, or adjuster who, not being lawfully entitled
13 thereto, either temporarily or permanently diverts or
14 misappropriates such funds or any portion thereof or deprives
15 the other person of a benefit therefrom commits the offense
16 specified below:

17 (a) If the funds diverted or misappropriated are \$300
18 or less, a misdemeanor of the first degree, punishable as
19 provided in s. 775.082 or s. 775.083.

20 (b) If the funds diverted or misappropriated are more
21 than \$300, but less than \$20,000, a felony of the third
22 degree, punishable as provided in s. 775.082, s. 775.083, or
23 s. 775.084.

24 (c) If the funds diverted or misappropriated are
25 \$20,000 or more, but less than \$100,000, a felony of the
26 second degree, punishable as provided in s. 775.082, s.
27 775.083, or s. 775.084.

28 (d) If the funds diverted or misappropriated are
29 \$100,000 or more, a felony of the first degree, punishable as
30 provided in s. 775.082, s. 775.083, or s. 775.084.

31

1 Section 10. Subsections (1) and (2) of section
2 626.572, Florida Statutes, are amended to read:

3 626.572 Rebating; when allowed.--

4 (1) An insurance agency or ~~No agent may not shall~~
5 rebate any portion of a ~~his or her~~ commission except as
6 follows:

7 (a) The rebate shall be available to all insureds in
8 the same actuarial class.

9 (b) The rebate shall be in accordance with a rebating
10 schedule filed by the agent with the insurer issuing the
11 policy to which the rebate applies.

12 (c) The rebating schedule shall be uniformly applied
13 in that all insureds who purchase the same policy through the
14 agent for the same amount of insurance receive the same
15 percentage rebate.

16 (d) Rebates shall not be given to an insured with
17 respect to a policy purchased from an insurer that prohibits
18 its agents from rebating commissions.

19 (e) The rebate schedule is prominently displayed in
20 public view in the agent's place of doing business and a copy
21 is available to insureds on request at no charge.

22 (f) The age, sex, place of residence, race,
23 nationality, ethnic origin, marital status, or occupation of
24 the insured or location of the risk is not utilized in
25 determining the percentage of the rebate or whether a rebate
26 is available.

27 (2) The insurance agency or agent shall maintain a
28 copy of all rebate schedules for the most recent 5 years and
29 their effective dates.

30 Section 11. Subsection (1) of section 626.601, Florida
31 Statutes, is amended to read:

1 626.601 Improper conduct; inquiry; fingerprinting.--

2 (1) The department or office may, upon its own motion
3 or upon a written complaint signed by any interested person
4 and filed with the department or office, inquire into any
5 alleged improper conduct of any licensed insurance agency,
6 agent, adjuster, service representative, managing general
7 agent, customer representative, title insurance agent, title
8 insurance agency, continuing education course provider,
9 instructor, school official, or monitor group under this code.
10 The department or office may thereafter initiate an
11 investigation of any such licensee if it has reasonable cause
12 to believe that the licensee has violated any provision of the
13 insurance code. During the course of its investigation, the
14 department or office shall contact the licensee being
15 investigated unless it determines that contacting such person
16 could jeopardize the successful completion of the
17 investigation or cause injury to the public.

18 Section 12. Section 626.602, Florida Statutes, is
19 created to read:

20 626.602 Insurance agency names; disapproval.--The
21 department may disapprove the use of any true or fictitious
22 name, other than the bona fide natural name of an individual,
23 by any insurance agency on any of the following grounds:

24 (1) The name is an interference with or is too similar
25 to a name already filed and in use by another agency or
26 insurer;

27 (2) The use of the name may mislead the public in any
28 respect;

29 (3) The name states or implies that the agency is an
30 insurer, motor club, hospital service plan, state or federal
31 agency, charitable organization, or entity that primarily

1 provides advice and counsel rather than sells or solicits
2 insurance, or is entitled to engage in insurance activities
3 not permitted under licenses held or applied for; or

4 (4) The name states or implies that the agency is an
5 underwriter. This subsection does not prevent a natural person
6 who is a life agent from describing himself or herself as an
7 underwriter or from using the designation "chartered life
8 underwriter" or who is a general lines agent from using the
9 designation "chartered property and casualty underwriter," if
10 the person is entitled to use such terms to describe himself
11 or herself.

12 Section 13. Section 626.6115, Florida Statutes, is
13 amended to read:

14 626.6115 Grounds for compulsory refusal, suspension,
15 or revocation of insurance agency license.--The department
16 shall deny, suspend, revoke, or refuse to continue the license
17 of any insurance agency if it finds, as to any insurance
18 agency or as to any majority owner, partner, manager,
19 director, officer, or other person who manages or controls
20 such agency, that any ~~either one or both~~ of the following
21 applicable grounds exist:

22 (1) Lack by the agency of one or more of the
23 qualifications for the license as specified in this code;~~-~~

24 (2) Material misstatement, misrepresentation, or fraud
25 in obtaining the license or in attempting to obtain the
26 license; or

27 (3) Denial, suspension, or revocation of a license to
28 practice or conduct any regulated profession, business, or
29 vocation relating to the business of insurance by this state,
30 any other state, any nation, any possession or district of the
31 United States, any court, or any lawful agency thereof.

1 However, grounds for administrative action against a licensed
2 agency do not in and of themselves constitute grounds for
3 action against any other licensed agency, including an agency
4 that owns, is under common ownership with, or is owned by, in
5 whole or in part, the agency for which grounds for
6 administrative action exist.

7 Section 14. Subsection (6) is added to section
8 626.6215, Florida Statutes, to read:

9 626.6215 Grounds for discretionary refusal,
10 suspension, or revocation of insurance agency license.--The
11 department may, in its discretion, deny, suspend, revoke, or
12 refuse to continue the license of any insurance agency if it
13 finds, as to any insurance agency or as to any majority owner,
14 partner, manager, director, officer, or other person who
15 manages or controls such insurance agency, that any one or
16 more of the following applicable grounds exist:

17 (6) Failure to take corrective action or report a
18 violation to the department within 30 days after an individual
19 licensee's violation is known or should have been known by one
20 or more of the partners, officers, or managers acting on
21 behalf of the agency. However, grounds for administrative
22 action against a licensed agency do not in and of themselves
23 constitute grounds for action against any other licensed
24 agency, including an agency that owns, is under common
25 ownership with, or is owned by, in whole or in part, the
26 agency for which grounds for administrative action exist.

27 Section 15. Paragraph (c) of subsection (2) of section
28 626.292, Florida Statutes, is amended to read:

29 626.292 Transfer of license from another state.--

30 (2) To qualify for a license transfer, an individual
31 applicant must meet the following requirements:

1 (c) The individual shall submit a completed
2 application for this state which is received by the department
3 within 90 days after the date the individual became a resident
4 of this state, along with payment of the applicable fees set
5 forth in s. 624.501 and submission of the following documents:

6 1. A certification issued by the appropriate official
7 of the applicant's home state identifying the type of license
8 and lines of authority under the license and stating that, at
9 the time the license from the home state was canceled, the
10 applicant was in good standing in that state or that the
11 state's Producer Database records, maintained by the National
12 Association of Insurance Commissioners, its affiliates, or
13 subsidiaries, indicate that the agent is or was licensed in
14 good standing for the line of authority requested.

15 2. A set of the individual applicant's fingerprints in
16 accordance with s. 626.171(4) ~~s. 626.171(5)~~.

17 Section 16. Paragraph (d) of subsection (1) of section
18 626.321, Florida Statutes, is 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 (d) Baggage and motor vehicle excess liability
26 insurance.--

27 1. License covering only insurance of personal effects
28 except as provided in subparagraph 2. The license may be
29 issued only:

30 a. To a full-time salaried employee of a common
31 carrier or a full-time salaried employee or owner of a

1 transportation ticket agency, which person is engaged in the
2 sale or handling of transportation of baggage and personal
3 effects of travelers, and may authorize the sale of such
4 insurance only in connection with such transportation; or

5 b. To the full-time salaried employee of a licensed
6 general lines agent or to a business entity that offers motor
7 vehicles for rent or lease if insurance sales activities
8 authorized by the license are in connection with and
9 incidental to the rental of a motor vehicle. An entity
10 applying for a license under this sub-subparagraph:

11 (I) Is required to submit only one application for a
12 license under s. 626.171. The requirements of s. 626.171(4) ~~s.~~
13 ~~626.171(5)~~ shall apply only to the officers and directors of
14 the entity submitting the application.

15 (II) Is required to obtain a license for each office,
16 branch office, or place of business making use of the entity's
17 business name by applying to the department for the license on
18 a simplified application form developed by rule of the
19 department for this purpose.

20 (III) Is required to pay the applicable fees for a
21 license as prescribed in s. 624.501, be appointed under s.
22 626.112, and pay the prescribed appointment fee under s.
23 624.501. A licensed and appointed entity shall be directly
24 responsible and accountable for all acts of the licensee's
25 employees.

26
27 The purchaser of baggage insurance shall be provided written
28 information disclosing that the insured's homeowner's policy
29 may provide coverage for loss of personal effects and that the
30 purchase of such insurance is not required in connection with
31

1 | the purchase of tickets or in connection with the lease or
2 | rental of a motor vehicle.

3 | 2. A business entity that offers motor vehicles for
4 | rent or lease, may include lessees under a master contract
5 | providing coverage to the lessor or may transact excess motor
6 | vehicle liability insurance providing coverage in excess of
7 | the standard liability limits provided by the lessor in its
8 | lease to a person renting or leasing a motor vehicle from the
9 | licensee's employer for liability arising in connection with
10 | the negligent operation of the leased or rented motor vehicle,
11 | provided that the lease or rental agreement is for not more
12 | than 30 days; that the lessee is not provided coverage for
13 | more than 30 consecutive days per lease period, and, if the
14 | lease is extended beyond 30 days, the coverage may be extended
15 | one time only for a period not to exceed an additional 30
16 | days; that the lessee is given written notice that his or her
17 | personal insurance policy providing coverage on an owned motor
18 | vehicle may provide additional excess coverage; and that the
19 | purchase of the insurance is not required in connection with
20 | the lease or rental of a motor vehicle. The excess liability
21 | insurance may be provided to the lessee as an additional
22 | insured on a policy issued to the licensee's employer.

23 | 3. A business entity that offers motor vehicles for
24 | rent or lease, may, as an agent of an insurer, transact
25 | insurance that provides coverage for the liability of the
26 | lessee to the lessor for damage to the leased or rented motor
27 | vehicle if:

28 | a. The lease or rental agreement is for not more than
29 | 30 days; or the lessee is not provided coverage for more than
30 | 30 consecutive days per lease period, but, if the lease is
31 |

1 extended beyond 30 days, the coverage may be extended one time
2 only for a period not to exceed an additional 30 days;

3 b. The lessee is given written notice that his or her
4 personal insurance policy that provides coverage on an owned
5 motor vehicle may provide such coverage with or without a
6 deductible; and

7 c. The purchase of the insurance is not required in
8 connection with the lease or rental of a motor vehicle.

9 Section 17. Section 626.592, Florida Statutes, is
10 repealed.

11 Section 18. Subsection (1) of section 626.747, Florida
12 Statutes, is amended to read:

13 626.747 Branch agencies.--

14 (1) Each branch place of business established by an
15 agent or agency, firm, corporation, or association shall be in
16 the active full-time charge of a licensed general lines agent
17 who is appointed to represent one or more insurers. Any agent
18 or agency, firm, corporation, or association which has
19 established one or more branch places of business shall be
20 required to have at least one licensed general lines agent or
21 life or health agent who is appointed to represent one or more
22 insurers at each location of the agency including its
23 headquarters location.

24 Section 19. This act shall take effect October 1,
25 2005.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31

SENATE SUMMARY

Revises provisions relating to insurance agents and insurance agencies. Provides for regulation of insurance agencies by the Chief Financial Officer. Revises provisions relating to licensure and registration, including fees and application requirements. Provides penalties for specified offenses by insurance agencies. (See bill for details.)