

CHAMBER ACTION

1 The Commerce Council recommends the following:

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3 **Council/Committee Substitute**

4 Remove the entire bill and insert:

5 A bill to be entitled

6 An act relating to insurance field representatives and
7 operations; amending s. 626.321, F.S.; including service
8 warranty agreement sales covering communications equipment
9 under certain limited licensing provisions; providing for
10 additional appointment authority for certain licensed
11 branch locations of a communications equipment retail
12 vendor; revising certain application, appointment, and
13 licensing requirements for certain entities; providing for
14 payment of appointment fees; providing an exception;
15 requiring renewals of appointments; providing for a
16 renewal fee; amending s. 626.731, F.S.; revising a
17 qualification for licensure as a general lines agent;
18 amending s. 627.7295, F.S.; deleting a requirement for
19 inclusion of an agent fee in a rate filing; providing an
20 effective date.

21
22 Be It Enacted by the Legislature of the State of Florida:

24 Section 1. Paragraph (i) of subsection (1) of section
25 626.321, Florida Statutes, is amended to read:

26 626.321 Limited licenses.--

27 (1) The department shall issue to a qualified individual,
28 or a qualified individual or entity under paragraphs (c), (d),
29 (e), and (i), a license as agent authorized to transact a
30 limited class of business in any of the following categories:

31 (i) In-transit and storage personal property insurance;
32 communications equipment property insurance, ~~or~~ communications
33 equipment inland marine insurance, and communications equipment
34 service warranty agreement sales.--

35 1. A license covering only the insurance of personal
36 property not held for resale, covering the risks of
37 transportation or storage in rented or leased motor vehicles,
38 trailers, or self-service storage facilities, as the latter are
39 defined in s. 83.803, may be issued, without examination, only
40 to employees or authorized representatives of lessors who rent
41 or lease motor vehicles, trailers, or self-service storage
42 facilities and who are authorized by an insurer to issue
43 certificates or other evidences of insurance to lessees of such
44 motor vehicles, trailers, or self-service storage facilities
45 under an insurance policy issued to the lessor. A person
46 licensed under this paragraph shall give a prospective purchaser
47 of in-transit or storage personal property insurance written
48 notice that his or her homeowner's policy may provide coverage
49 for the loss of personal property and that the purchase of such
50 insurance is not required under the lease terms.

51 2. A license covering only communications equipment, for
52 the loss, theft, mechanical failure, malfunction of or damage
53 to, communications equipment. The license may be issued only to:

54 a. Employees or authorized representatives of a licensed
55 general lines agent;

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

58 c. Employees, agents, or authorized representatives of a
59 retail vendor of communications equipment.

60
61 The license authorizes the sale of such policies, or
62 certificates under a group master policy, only with respect to
63 the sale of, or provision of communications service for,
64 communications equipment. A general lines agent is not required
65 to obtain a license under this subparagraph to offer or sell
66 communications equipment property insurance or communication
67 equipment inland marine insurance. The license also authorizes
68 sales of service warranty agreements covering only
69 communications equipment to the same extent as if licensed under
70 s. 634.419 or s. 634.420. The provisions of this chapter
71 requiring submission of fingerprints do not apply to
72 communications equipment licenses issued to qualified entities
73 under this subparagraph. Licensees offering policies under this
74 subparagraph must receive initial training from, and have a
75 contractual relationship with, a general lines agent. For the
76 purposes of this subparagraph, the term "communications
77 equipment" means handsets, pagers, personal digital assistants,
78 portable computers, automatic answering devices, and other

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79 | devices or accessories used to originate or receive
80 | communications signals or service, and includes services related
81 | to the use of such devices, such as consumer access to a
82 | wireless network; however, the term does not include
83 | telecommunications switching equipment, transmission wires, cell
84 | site transceiver equipment, or other equipment and systems used
85 | by telecommunications companies to provide telecommunications
86 | service to consumers. A branch location of a retail vendor of
87 | communications equipment licensed pursuant to paragraph (2)(b)
88 | may, in lieu of obtaining an appointment from an insurer or
89 | warranty association as provided in paragraph (2)(c), obtain a
90 | single appointment from the associated lead business location
91 | licensee licensed under paragraph (2)(a) and pay the prescribed
92 | appointment fee under s. 624.501 provided the lead business
93 | location has a single appointment from each insurer or warranty
94 | association represented and such appointment provides that it
95 | applies to the lead business location and all of its branch
96 | locations. Any branch location individually appointed by an
97 | insurer under paragraph (2)(c) prior to January 1, 2006, may
98 | replace its appointments with an appointment from its lead
99 | location at no charge. Branch location appointments shall be
100 | renewed on the first annual anniversary of licensure of the lead
101 | business location occurring more than 24 months after the
102 | initial appointment date and every 24 months thereafter.
103 | Notwithstanding s. 624.501, after July 1, 2006, the renewal fee
104 | applicable to such branch location appointments shall be \$30 per
105 | appointment.

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106 Section 2. Paragraph (f) of subsection (1) of section
107 626.731, Florida Statutes, is amended to read:

108 626.731 Qualifications for general lines agent's
109 license.--

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

114 (f) The applicant is not a service representative, a
115 managing general agent in this state, or a special agent or
116 similar service representative of a health insurer which also
117 transacts property, casualty, or surety insurance; except that
118 the president, vice president, secretary, or treasurer,
119 including a member of the board of directors, of a corporate
120 insurer, if otherwise qualified under and meeting the
121 requirements of this part, may be licensed and appointed as a
122 local resident agent.

123 Section 3. Paragraph (a) of subsection (5) of section
124 627.7295, Florida Statutes, is amended to read:

125 627.7295 Motor vehicle insurance contracts.--

126 (5)(a) A licensed general lines agent may charge a per-
127 policy fee not to exceed \$10 to cover the administrative costs
128 of the agent associated with selling the motor vehicle insurance
129 policy if the policy covers only personal injury protection
130 coverage as provided by s. 627.736 and property damage liability
131 coverage as provided by s. 627.7275 and if no other insurance is
132 sold or issued in conjunction with or collateral to the policy.

133 ~~The per-policy fee must be a component of the insurer's rate~~

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134 | ~~filing and may not be charged by an agent unless the fee is~~
135 | ~~included in the filing.~~ The fee is not considered part of the
136 | premium ~~except for purposes of the office's review of expense~~
137 | ~~factors in a filing made pursuant to s. 627.062.~~

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