

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 1113 CS Insurance Agents
SPONSOR(S): Lopez-Cantera and others
TIED BILLS: **IDEN./SIM. BILLS:** SB 2526

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Insurance Committee	18 Y, 0 N, w/CS	Callaway	Cooper
2) State Administration Appropriations Committee	8 Y, 0 N, w/CS	Rayman	Belcher
3) Commerce Council	10 Y, 0 N	Tinney	Randle
4) _____	_____	_____	_____
5) _____	_____	_____	_____

SUMMARY ANALYSIS

Under current law, applicants for licensure by the Department of Financial Services (DFS) as an insurance agent, customer representative, service representative, managing general agent, or reinsurance intermediary must submit fingerprints as a condition of licensure. Fingerprints are taken by a law enforcement agency or by other entities approved by DFS. The law requires applicants to submit fingerprints in order to search the criminal history records of federal, state, and local law enforcement agencies as part of the DFS investigation of an applicant's qualifications for licensure. Currently, DFS provides sites for applicants to have fingerprints made in 68 locations throughout the state. Among the 68 locations, 64 are located in county public school administrative offices, while the locations in Duval, Dade, Broward, and Palm Beach counties are at other county facilities (rather than school administrative offices). In addition, a DFS applicant may present the fingerprint card at any law enforcement agency in the state and request the agency take the applicant's fingerprints. Applicants for licensure must pay a fee sufficient to "cover fingerprint processing" which is currently \$64 per applicant, set by department rule.

The bill requires the DFS to offer fingerprinting services to licensure applicants at each of its testing centers. The department currently has 19 testing centers located throughout Florida. Currently, fingerprinting services are not available at the testing centers.

The law requires most license applicants to pass an examination as part of the licensing process. The bill authorizes an applicant to take the license examination before his or her license application is submitted or approved and requires the applicant to take a prelicensing course before taking the license examination. The bill requires DFS to collect self-reported race/ethnicity and gender information from testing examinees and to use the information to prepare and publish reports on testing results, separated by race/ethnicity and gender.

There is an appropriation of \$158,995 per year for 3 new FTEs to implement the bill. In addition, the bill appropriates \$120,069 in FY 2006-07 from the DFS Insurance Regulatory Trust Fund to implement the bill.

Except as otherwise expressly provided, the bill takes effect July 1, 2006.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide Limited Government: The bill requires DFS to provide fingerprinting services for license applicants at 19 new locations. The bill also requires DFS to collect demographic information from testing examinees and to compile and publish testing results.

Safeguard Individual Liberty: A license applicant will have 19 new locations to provide the fingerprints required by law for submission with an applicant's license application. The bill also requires license applicants to take a prelicensing course before taking the licensing examination.

Promote Personal Responsibility: The bill exempts adjusters with a specified adjusting designation from taking the adjuster licensing test.

B. EFFECT OF PROPOSED CHANGES:

Licensure of Insurance Agents in Florida

Florida law recognizes several types of insurance representatives, including agents, customer representatives, service representatives, and adjusters, among others. In general, insurance agents transact insurance on behalf of an insurer or insurers.

Agents must be licensed by the Department of Financial Services (DFS or department) to act as an agent for an insurer, and be appointed (i.e., given the authority by an insurance company to transact business on its behalf) by at least one insurer to act as the agent for that particular appointing insurer or insurers.¹ Requirements for insurance agents vary by line, or type of insurance, and based upon resident or nonresident license type.

"Managing general agents" are persons managing all or part of the insurance business of an insurer.² A managing general agent is authorized to adjust and pay claims and negotiate reinsurance on behalf of the insurer.³

"Customer representatives" are persons appointed by a general lines agent or agency to assist that agent or agency in transacting the business of insurance from the office of that agent or agency.⁴

"Adjusters" include public adjusters, independent adjusters, or company employee adjusters.⁵ Generally, a public adjuster is any person, other than a licensed attorney, who prepares, completes, or files an insurance claim for a policyholder or who negotiates or settles an insurance claim on behalf of an insured.⁶ An independent adjuster is one who is self-employed or employed by an independent adjusting firm and who works for an insurer to ascertain and determine the amount of an insurance claim, loss, or damage or to settle an insurance claim under an insurance policy.⁷ A company adjuster is a person employed in-house by an insurer who ascertains and determines the amount of an insurance claim, loss, or damage or settles an insurance claim under an insurance policy.⁸

"Service representatives" are employees of an insurer or managing general agent who assist a general lines agent in negotiating and implementing an insurance policy.⁹

¹ s. 626.112, F.S. (2005).

² s. 626.015(14), F.S. (2005).

³ *Id.*

⁴ s. 626.015(4), F.S. (2005).

⁵ s. 626.015(1), F.S. (2005).

⁶ s. 626.854, F.S. (2005).

⁷ s. 626.855, F.S. (2005).

⁸ s. 626.856, F.S. (2005).

⁹ s. 626.015(17), F.S. (2005).

A “reinsurance intermediary” includes reinsurance intermediary brokers and reinsurance intermediary managers.¹⁰ A reinsurance intermediary broker is any person who solicits, negotiates, or places reinsurance cessions or retrocessions on behalf of a ceding insurer without the power to bind reinsurance on behalf of the ceding insurer.¹¹ A reinsurance intermediary manager is any person who has authority to bind the assumed reinsurance business of a reinsurer or who manages the reinsurance business of a reinsurer and acts as an agent of the reinsurer.¹²

Licensing Requirements

All of the previously described insurance representatives are required to be licensed by DFS. Although licensing requirements vary by the type of license and line of authority, general requirements for licensure include submitting an application; paying required fees; satisfying pre-licensing examination requirements, when applicable; complying with requirements as to knowledge, experience, or instruction; and submitting fingerprints.

Fingerprinting Requirement

The fingerprint requirement in current law (s. 626.171(4), F.S.) requires the agent, customer representative, adjuster, service representative, managing general agent, or reinsurance intermediary applicant’s application for licensure to be accompanied by a set of the applicant’s fingerprints. If the applicant is not an individual (i.e. a sole proprietorship, partnership, or corporation), fingerprints must be provided by the sole proprietor, majority owner, partners, officers, and directors, whichever is applicable. If an insurance representative entity licensed by DFS changes ownership or if new partners, officers, or directors of the entity are employed or appointed, the new owners, partners, officers, or directors must submit fingerprints to DFS within 30 days after the change.

The applicant’s fingerprints must be taken by a law enforcement agency or other entity approved by DFS. The department then uses the fingerprints as part of its investigation into an applicant’s qualifications under s. 626.201, F.S. The same law requires DFS to submit an applicant’s fingerprints to the Florida Department of Law Enforcement (FDLE) and the Federal Bureau of Investigation (FBI) to determine whether the applicant has a federal, state, or local criminal record. Section 624.34, F.S., outlines the process for FDLE in accepting and processing an applicant’s fingerprints.

Any state or local law enforcement agency is authorized to fingerprint a candidate for a DFS license. A license applicant also may be fingerprinted at 64 county public school administrative offices in the state. However, in Duval, Dade, Broward, and Palm Beach counties,¹³ fingerprinting for DFS license applicants is provided at county government locations, rather than at the school administrative offices.

The department provides fingerprinting services at the school administrative offices under a memorandum of understanding between DFS and the Department of Education (DOE). By law, DOE is required to provide fingerprinting of numerous school personnel, particularly after the recent passage of the Jessica Lunsford Act (Ch. 2005-28, L.O.F.) The Department of Education contracts with a private vendor to provide fingerprinting services at the county school offices. The memorandum of understanding between DFS and DOE allows DFS to provide fingerprinting for its license applicants under the DOE contract with the private vendor. The school district offices offer fingerprinting during normal business hours.

According to DFS, the fingerprinting fee for fingerprints taken at most school district locations is \$61, although the specific fee for fingerprinting varies by district. The Department of Financial Services has set the fingerprinting fee for its license applicants at \$64 by administrative rule.¹⁴ The applicant typically pays the fingerprint vendor on-line by debit or credit card; however, the vendor also accepts money orders at the fingerprinting site. The vendor then pays FDLE and the FBI for processing the fingerprints and the vendor electronically transmits the fingerprints to FDLE for processing in accordance with law.

¹⁰ s. 626.7492(2)(e), F.S. (2005).

¹¹ s. 626.7492(2)(f), F.S. (2005).

¹² s. 626.7492(2)(g), F.S. (2005).

¹³ Fingerprint locations are in Jacksonville, Miami, Ft. Lauderdale, and West Palm Beach.

¹⁴ Rule 69B-211.005, F.A.C. Additionally, \$47 of the fingerprinting fee is paid by the vendor to FDLE and the FBI, with the remainder retained by the vendor.

The Department of Financial Services contracts with a different vendor to provide fingerprinting services at the fingerprinting locations in Duval, Dade, Broward, and Palm Beach counties. This vendor charges license applicants \$64 for fingerprinting and is paid directly by the applicant. DFS does not pay any money for fingerprinting services and processing directly to DOE, the school boards, or to the fingerprinting vendor at the four county locations. Rather, the entire fee is borne by the applicant.

In most cases, if an applicant submits his or her fingerprints prior to the licensure examination, DFS receives the results of the applicant's criminal background check prior to the examination date. If the applicant has a criminal history that precludes licensure, DFS notifies the applicant before he or she takes the licensure examination and must pay the examination fee of \$56.¹⁵

The Department of Financial Services contracts with one private vendor to administer its licensure examinations in 19 cities¹⁶ in Florida. Licensure examinations are given frequently, based on the demand for testing due to the applications received. The testing vendor leases permanent space to conduct the testing and does not own any testing locations itself. The examinations are offered Monday through Friday from 8:00 am until 9:30 pm, and on Saturday from 8:00 am until 5:00 pm.¹⁷

Proposed Changes Relating to Fingerprinting Requirement

The bill requires DFS to provide fingerprinting at all of its examination centers during the examination times. The department currently has 19 examination centers in Florida and contracts with a private vendor to administer the examinations on behalf of the department. Examination times are not set by statute or administrative rule; rather the tests are offered based on demand. According to proponents of the bill, permitting fingerprinting at testing locations will allow license applicants to be fingerprinted at the examination centers rather than requiring the license applicants to leave work to be fingerprinted at the current fingerprinting locations.

Section 624.501, F.S., authorizes DFS to charge a fee for fingerprinting. The fee is not set by statute; rather the law allows DFS to charge an amount sufficient "to cover fingerprint processing." By administrative rule, the department established the fee at \$64 and the fingerprint processing fees are paid directly by the applicant to the fingerprint vendor.

Fingerprinting equipment is estimated to cost \$15,000 per machine; the machines are similar in size and appearance to a copier with scanning capabilities. In its initial discussion with the vendor who examines license applicants, DFS indicates it appears the vendor has the capability to offer fingerprint services at the current examination facilities. This means DFS does not anticipate increasing either the current examination or fingerprinting fee under the provisions of the bill.¹⁸

If an applicant submits his or her fingerprints at the testing site, DFS will be unable to review the fingerprint results prior to the applicant taking the license examination. This could lead to applicants paying for and sitting for the examination, then being told by DFS that they are not qualified for a license due to a criminal background. Currently, DFS receives the fingerprint results prior to an applicant taking the license examination, thus enabling the department to notify the applicant he or she is not qualified for a license based on the background check. This prevents the applicant from incurring the examination fee unnecessarily.

The department indicates all of its testing centers are rented or leased by the examination vendor. If the testing centers are not large enough to accommodate fingerprinting equipment and any traffic flow associated with the fingerprinting, then the examination vendor may need new or additional testing space. Any increased cost in testing space rental or lease cannot be passed on to the policyholder as the testing fee is set by administrative rule. Thus, DFS reports it may be forced to bear any increase in cost, although the DFS vendor has not yet notified DFS regarding any increase in costs.

¹⁵ Rule 69B-211.005, F.A.C. sets the examination fee at \$56 per examination.

¹⁶ Examination centers are located in Boyton Beach, Coral Gables, Fort Lauderdale, Ft. Myers (2 locations), Gainesville, Hollywood, Jacksonville, Lake Mary, Lakeland, Melbourne, Miami, Orlando, Ormond Beach, Pensacola, Sarasota, St. Petersburg, Tallahassee, and Tampa.

¹⁷ Personal communication from a representative of the DFS, on file with the Insurance Committee.

¹⁸ *Id.*, April 19, 2006.

License Application Requirement

Section 626.171, F.S., provides application requirements for licenses as an agent, customer representative, adjuster, service representative, managing general agent, and reinsurance intermediary. The bill provides additional requirements for applications for certain licenses; requiring applicants to submit fingerprints and pay a processing fee; provides for fingerprints to be taken by a designated examination center; requires DFS to specify designated examination centers to have fingerprinting equipment and take fingerprints; and prohibits the department from approving licensure applications without submitted fingerprints.

Section 626.211, F.S., currently requires DFS to approve a license application prior to applicant's taking the licensure examination if the department believes the applicant meets the license qualifications and the applicant's application is complete. Once the applicant's application is complete, the department must notify the applicant of the examination date and time. If the applicant takes the licensure examination and passes it, DFS issues the appropriate license to the applicant.

The bill amends current law to allow a license applicant to take the licensure examination at the location designated by DFS before submitting their license application and before obtaining approval of their license application. If the applicant takes the licensing test before applying for the license, the department is required to promptly issue the license after it approves the license application. If an applicant chooses to take the licensure examination first, the applicant will receive their test results before investing moneys (\$114 maximum for the application submission and fingerprinting) in the application process. The bill's proponents believe allowing license applicants to take the licensure examination before submitting their licensure application or obtaining approval of it will streamline the licensing process to help increase the number of insurance representatives, especially increasing the number of insurance representatives serving minority communities.

Examination Requirement: Exemptions

Section 626.221, F.S., sets forth the examination requirements and exemptions for insurance agent, adjuster, and customer representative licenses. At least 13 exemptions from the examination requirement are provided in the statute. If an applicant for licensure as an agent, adjuster, or customer representative meets one of the exemptions, he or she is not required to take the examination associated with the license. One of the exemptions from the adjuster examination is for applicants who have the designation of Accredited Claims Adjuster (ACA) from a regionally accredited postsecondary institution in Florida or the designation of Professional Claims Adjuster (PCA) from the Professional Career Institute. Exemptions are provided for these designated adjusters because DFS approves the curriculum of the educational institutions and ensures the curriculum covers a comprehensive analysis of insurance and included testing at least equal to testing given by the DFS for the all-lines adjuster license.

The bill includes a new adjuster designation in the adjuster examination exemption. Adjusters designated as a Certified Claims Adjuster (CCA) from the Association of Property and Casualty Claims Professionals are exempted by the bill from adjuster license examinations.

Section 626.241, F.S., provides for application of certain examination provisions to certain persons. The bill clarifies that this section applies to any person who submits an application for license and to any person who submits an application for examination prior to filing an application for license.

Prelicensing Requirements and Courses

Current law, section 626.171, F.S., prohibits DFS from issuing a license as agent, customer representative, adjuster, service representative, managing general agent, or reinsurance intermediary to any person who does not meet the application requirements outlined in the same law. For example, one condition for licensure is proof the applicant has completed or is in the process of completing any required prelicensing course. Under the bill, s. 626.231, F.S., is amended to authorize an applicant either to submit an application for licensure or an application for the examination before sitting for the examination. An applicant is authorized by the bill to submit an application for examination through the DFS internet website.

In the application, the bill requires an applicant to include his or her name; business, personal, and mailing address; social security number; the type of license the applicant seeks; the name of any required prelicensing course he or she has completed or is in the process of completing; and the method by which the applicant intends to qualify for the type of license if other than by completing a prelicensing course.

Additionally, the bill authorizes DFS to ask license applicants their gender, native language, highest level of education, and ethnicity, however, DFS is required to notify applicants that providing such demographic information is voluntary. The bill also requires DFS to notify license applicants they will not be penalized if they do not provide the demographic information and to specify that such information only will be used for research and statistical purposes to enable DFS to improve the quality and fairness of its licensure examinations.

Testing Information and Results

The bill creates s. 626.2415 F.S., relating to an annual report DFS is required to produce on the results of life insurance agent license examinations. The bill requires DFS to request license examinees to voluntarily self-report race/ethnicity and gender information. Based on the race/ethnicity and gender information collected, the department is required to prepare, publicly announce, and publish an Examination Report for each examination administered in the year. The Examination Report is due on May 1st and contains pass/fail information and test score information for each examination given on a race/ethnicity and gender basis. The bill also requires DFS to publish a separate "operational item report" annually by the department. This report is also due on May 1st and is required to contain statistical information relating to each operational item on each life insurance test form administered in the prior year, separated by race/ethnicity, the correct-answer rates, and the correlations.

License examination retention requirements are also added by the bill. The bill specifies a period of validity for a passing examination grade and prohibits the department from issuing a license based on an examination taken more than 1 year prior to filing an application.

The bill provides recurring and non-recurring appropriations. DFS also is authorized by the bill to hire 3 FTEs to implement the provisions of the bill.

C. SECTION DIRECTORY:

Section 1: Amends s. 626.171, F.S., providing additional requirements for applications for certain licenses; providing for license examinees to voluntarily report race or ethnicity or gender information; requiring applicants to submit fingerprints and pay a processing fee; providing for fingerprints to be taken by a designated examination center; requiring DFS to provide fingerprinting services in designated examination centers; prohibiting the department from approving licensure applications without submitted fingerprints.

Section 2: Amends s. 626.211, F.S., deleting a prohibition against the department denying, delaying, or withholding approval of applications lacking a criminal history report; revising circumstances under which the department must notify an applicant about license examinations.

Section 3: Amends s. 626.221, F.S., expanding the authorized adjuster designations for exemptions from adjuster license examinations.

Section 4: Amends s. 626.231, F.S., providing authorization and procedures for applying on the DFS internet website to take a licensure examination prior to applying for licensure; specifying required application information; providing for license examinees to voluntarily report race or ethnicity or gender information; requiring an application disclosure statement; requiring payment of an examination fee with an application.

Section 5: Amends s. 626.241, F.S., providing for application of certain examination provisions to certain persons.

Section 6. Creates s. 626.2415 F.S., requiring the department to annually prepare and publish a report that summarizes statistical information relating to life insurance agent examinations administered during the preceding calendar year. The bill specifies the information to be included in the annual report.

Section 7. Amends s. 626.251, F.S., requiring the department to provide certain information to examination applicants.

Section 8. Amends s. 626.261, F.S., specifying required conduct for examination applicants, requiring an applicant for license or examination must appear in person and personally take the examination for license.

Section 9: Amends 626.291, F.S., requiring DFS to promptly issue a license for examination applicants as soon as the department approves the application; specifying a period of validity of a passing examination grade; prohibiting the department from issuing a license based on an examination taken more than 1 year prior to filing an application.

Section 10. Provides appropriations; authorizes additional positions.

Section 11. Except as otherwise expressly provided, provides an effective date of July 1, 2006.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

	<u>FY 2006-07</u>	<u>FY 2007-08</u>
1. Revenues:		
None.		
2. Expenditures:		
Recurring		
Salaries and Benefits (3 FTE) (Salary rate 103,285)	\$ 138,607	\$ 138,607
Expenses	19,209	19,209
Human Resources Services	<u>1,179</u>	<u>1,179</u>
Total – recurring	\$ 158,995	\$ 158,995
Non-Recurring		
OPS	\$ 104,340	
Expenses	\$ 10,029	
Operating Capital Outlay	<u>5,700</u>	
Total – non-recurring	\$ 120,069	
Total Expenditures:		
Insurance Regulatory Trust Fund	\$ 279,064	\$ 158,995

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Affording DFS license applicants the ability to be fingerprinted at examination sites will allow applicants to complete more application requirements at one location. It is unlikely, however, that fingerprints taken at the examination center can be processed and the results furnished to DFS before the examination, as is the current process. Thus, applicants may incur an examination fee and then be disqualified for a license based on the criminal background check. Having the criminal background check completed before the examination allows the department to notify applicants disqualified for a license due to a criminal history before the applicant incurs the examination fee.

Allowing license applicants to take the license examination before submitting their license application will save applicants money (\$114 maximum for the application submission and fingerprinting).

Requiring license applicants to take a prelicensing course will cost applicants money if the course is not free.

Providing a new exemption from the adjuster examination for adjusters having a CCA designation will save money for those adjusters having the designation as they will no longer incur the testing fee of \$56.

If a testing vendor is required to lease additional testing space or secure new space to accommodate fingerprinting at the testing centers, the vendor may have to break an existing lease, incurring a fee for such, or may have increased costs associated with renting additional space.

D. FISCAL COMMENTS:

DFS provided the following fiscal information relating to the bill:¹⁹

According to DFS, it will need two new Regulatory Consultant positions to comply with the bill's provision allowing license testing before the license application is approved. The change in processing applications to allow testing prior to qualifying for a license will require applications to be processed at least twice. It is estimated that this change will increase the workload of the department's Division of Agent and Agency Services by at least 20,000 applications the first year and then continue to increase in subsequent years.

In addition, one new Examination Development Specialist (psychometrician) position is needed due to the bill's provisions relating to preparing and publishing information on license testing results. Although the department's testing vendor provides psychometric services for test development, DFS must hire an employee with testing expertise to analyze the data of the reports required in this bill and translate and report that information. It is essential that the department has staff with the knowledge of testing and psychometric science to work with the vendor in the development and revision of test items and forms that will better serve the citizens of Florida. Without this level of testing expertise in DFS, the results of the statistics may not properly impact the testing program as required by this bill.

¹⁹ Fiscal Analysis by the DFS dated April 4, 2006.

The OPS non-recurring funding is needed for changes in contracts to enhance the department's technology systems and the contractor's cost of implementing this legislative change.

Enhancements to Agents Licensing Insurance System (ALIS)	\$ 75,300
Enhancements to Agents and Agencies Licensing Functionality (AALF)	\$ 29,040
Expense/Capital Equipment – non recurring	\$ 15,729
Total Appropriation Required	\$120,069

Enhancements are to modify contractors' programs to change the systems to allow for examination prior to qualification and provide statistical data on examinations. These enhancements have been identified as areas that would change the department's technology systems and the current agreement of services with Promissor, the testing vendor. To implement the provisions of the bill the department and its vendors will need at least 6 months for design, development and implementation.

Examination Administrator Vendor (Promissor)	
Examination Statistical Reports	\$ 92,000
Enhancements to technology systems	\$ 21,640

In order to pay for the expenses incurred by Promissor to make technological changes, the exam fees will remain at \$56 per exam, rather than be reduced to \$50 per exam (which had been anticipated through a rule change).

If the testing vendor has to acquire additional testing space to accommodate fingerprinting at the testing locations, it may incur additional rental fees. In such a case the testing vendor may pass the increased fees to the department because it cannot pass them to the applicant due to the testing fee being set by administrative rule.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

This bill does not require counties or municipalities to take an action requiring the expenditure of funds, does not reduce the authority that counties or municipalities have to raise revenue in the aggregate, and does not reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

Not applicable.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

On March 30, 2006, the Insurance Committee considered the bill, adopted a strike-all amendment, and reported it favorably. The strike-all reworded the fingerprinting requirement in the original bill and added several provisions regarding license examinations and reporting. The added provisions:

- Allow an insurance license applicant to take their licensure exam prior to submitting their license application.
- Require license applicants to complete a pre-licensing course before taking a license exam. Current law does not require a pre-licensing course.
- Require the DFS to make demographic data available to the public via reports identifying the number of examinees, the pass/fail data of examinees, the average scores of examinees, reported by ethnicity and gender.
- Require the DFS to reasonably accommodate any disabled examinees.
- Require the DFS to issue a license within 15 days of the DFS's approval of an application if the applicant took the licensing exam prior to submitting his or her application.
- Allow an adjuster to be exempt from taking the adjuster license examination if he or she has the specified adjuster designation from the Association of Property and Casualty Claims Professionals. Current law allows an exemption from the license examination for adjusters with a different designation.

According to the department, implementation of the strike-all amendment will require 3 new FTEs and a recurring appropriation from trust fund moneys of \$158,995 associated with the new FTEs. In addition, the department believes \$233,709 in nonrecurring trust fund moneys will have to be spent in FY 2006-07 on technology improvements needed to implement the bill and on the examination contractor's cost of implementing the bill.

The staff analysis was updated to reflect the changes made to the bill by the strike-all amendment.

On April 11, 2006, the State Administration Appropriations Committee considered the bill, adopted a strike-all amendment, and reported it favorably. The strike-all incorporates technical changes to conform department goals to current DFS licensing systems. The policy requirements of the bill have not changed. The added provisions:

- Require DFS to make applicant fingerprinting available at all designated examination centers.
- Allow an applicant to take the required licensure exam prior to the submittal or the approval of their application.
- Require DFS to make demographic data available through reports identifying the pass/fail data of applicants reported by category of ethnicity and gender compared to all applicants who sat for a particular exam.
- Add adjuster license applicants who have the designation of Certified Claims Adjuster to the list of claims-adjusting professionals to be exempted from taking an examination for licensure.
- Remove the requirement for DFS to reasonably accommodate any disabled examinees.
- Specify that a person required to take an examination for a license may be permitted to take an examination prior to submitting an application for licensure pursuant to s. 626.171, F.S., by submitting an application for examination through the department's Internet website.
- Clarify license examination retention requirements in the bill, specifying a period of validity of a passing examination grade; prohibit DFS from issuing a license based on an examination taken more than 1 year prior to filing an application.
- Provide appropriations and authorizes additional positions.

This staff analysis has been updated to reflect the changes adopted in the strike-all amendment as amended on 4/11/06.