

CHAMBER ACTION

1 The State Administration Appropriations Committee recommends the
2 following:

3
4 **Council/Committee Substitute**

5 Remove the entire bill and insert:

6 A bill to be entitled

7 An act relating to insurance agents; amending s. 626.171,
8 F.S.; providing additional requirements for applications
9 for certain licenses; requiring applicants to submit
10 fingerprints and pay a processing fee; providing for
11 fingerprints to be taken by a designated examination
12 center; requiring the Department of Financial Services to
13 require designated examination centers to have
14 fingerprinting equipment and take fingerprints;
15 prohibiting the department from approving licensure
16 applications without submitted fingerprints; amending s.
17 626.211, F.S.; deleting a prohibition against the
18 department denying, delaying, or withholding approval of
19 applications lacking a criminal history report; revising
20 circumstances under which the department must notify an
21 applicant about examinations; amending s. 626.221, F.S.;
22 expanding the authorized adjuster designations for
23 exemptions from adjuster license examinations; amending s.

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24 | 626.231, F.S.; providing authorization and procedures for
25 | applying on the department's Internet website to take a
26 | licensure examination prior to applying for licensure;
27 | specifying required application information; requiring an
28 | application disclosure statement; requiring payment of an
29 | examination fee with an application; amending s. 626.241,
30 | F.S.; providing for application of certain examination
31 | provisions to certain persons; creating s. 626.2415, F.S.;
32 | requiring the department to annually prepare, publicly
33 | announce, and publish reports of certain examination
34 | statistical information; providing report requirements;
35 | authorizing the department to provide certain contracted
36 | testing service providers with certain demographic
37 | application information under certain circumstances;
38 | amending s. 626.251, F.S.; requiring the department to
39 | provide certain information to examination applicants;
40 | amending s. 626.261, F.S.; specifying required conduct for
41 | examination applicants; amending s. 626.281, F.S.;
42 | applying reexamination provisions to examination
43 | applicants; amending s. 626.291, F.S.; requiring the
44 | department to issue a license for certain applicants after
45 | the department approves the application; specifying a
46 | period of validity of a passing examination grade;
47 | prohibiting the department from issuing a license based on
48 | an examination taken more than 1 year prior to filing an
49 | application; providing appropriations; authorizing
50 | additional positions; providing effective dates.

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52 | Be It Enacted by the Legislature of the State of Florida:

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54 | Section 1. Effective January 1, 2007, subsections (2) and
55 | (4) of section 626.171, Florida Statutes, are amended to read:

56 | 626.171 Application for license as an agent, customer
57 | representative, adjuster, service representative, managing
58 | general agent, or reinsurance intermediary.--

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

60 | (a) His or her full name, age, social security number,
61 | residence address, business address, and mailing address.

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

64 | (c) Whether he or she has been refused or has voluntarily
65 | surrendered or has had suspended or revoked a license to solicit
66 | insurance by the department or by the supervising officials of
67 | any state.

68 | (d) Whether any insurer or any managing general agent
69 | claims the applicant is indebted under any agency contract or
70 | otherwise and, if so, the name of the claimant, the nature of
71 | the claim, and the applicant's defense thereto, if any.

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

74 | (f) The applicant's gender (male or female).

75 | (g) The applicant's native language.

76 | (h) The highest level of education achieved by the
77 | applicant.

78 | (i) The applicant's race or ethnicity (African American,
79 | white, American Indian, Asian, Hispanic, or other).

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80 (j)~~(f)~~ Such other or additional information as the
81 department may deem proper to enable it to determine the
82 character, experience, ability, and other qualifications of the
83 applicant to hold himself or herself out to the public as an
84 insurance representative.

85
86 However, the application must contain a statement that an
87 applicant is not required to disclose his or her race or
88 ethnicity, gender, or native language, that he or she will not
89 be penalized for not doing so, and that the department will use
90 this information exclusively for research and statistical
91 purposes and to improve the quality and fairness of the
92 examinations.

93 (4) An applicant ~~application~~ for a license as an agent,
94 customer representative, adjuster, service representative,
95 managing general agent, or reinsurance intermediary must submit
96 ~~be accompanied by~~ a set of the individual applicant's
97 fingerprints, or, if the applicant is not an individual, by a
98 set of the fingerprints of the sole proprietor, majority owner,
99 partners, officers, and directors, to the department and must
100 pay on a form adopted by rule of the department and accompanied
101 by the fingerprint processing fee set forth in s. 624.501.
102 Fingerprints shall be used to investigate the applicant's
103 qualifications pursuant to s. 626.201. The fingerprints shall be
104 taken by a law enforcement agency, designated examination
105 center, or other department-approved entity. The department
106 shall require all designated examination centers to have
107 fingerprinting equipment and to take fingerprints from any

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108 applicant or prospective applicant who pays the applicable fee.
 109 The department may not approve an application for licensure as
 110 an agent, customer service representative, adjuster, service
 111 representative, managing general agent, or reinsurance
 112 intermediary if fingerprints have not been submitted.

113 Section 2. Effective January 1, 2007, subsections (1) and
 114 (2) of section 626.211, Florida Statutes, are amended to read:

115 626.211 Approval, disapproval of application.--

116 (1) If upon the basis of a completed application for
 117 license and such further inquiry or investigation as the
 118 department may make concerning an applicant the department is
 119 satisfied that, subject to any examination required to be taken
 120 and passed by the applicant for a license, the applicant is
 121 qualified for the license applied for and that all pertinent
 122 fees have been paid, it shall approve the application. ~~The~~
 123 ~~department shall not deny, delay, or withhold approval of an~~
 124 ~~application due to the fact that it has not received a criminal~~
 125 ~~history report based on the applicant's fingerprints.~~

126 (2) Upon approval of an applicant for license as agent,
 127 customer representative, or adjuster who is subject to written
 128 examination, the department shall notify the applicant when and
 129 where he or she may take the required examination unless the
 130 applicant has taken and passed the examination within the 1-year
 131 period prior to the date of filing the application.

132 Section 3. Paragraph (k) of subsection (2) of section
 133 626.221, Florida Statutes, is amended to read:

134 626.221 Examination requirement; exemptions.--

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135 (2) However, no such examination shall be necessary in any
136 of the following cases:

137 (k) An applicant for license as an adjuster who has the
138 designation of Accredited Claims Adjuster (ACA) from a
139 regionally accredited postsecondary institution in this state,
140 ~~or the designation of Professional Claims Adjuster (PCA) from~~
141 ~~the Professional Career Institute, or Certified Claims Adjuster~~
142 (CCA) from the Association of Property and Casualty Claims
143 Professionals whose curriculum has been approved by the
144 department and whose curriculum includes comprehensive analysis
145 of basic property and casualty lines of insurance and testing at
146 least equal to that of standard department testing for the all-
147 lines adjuster license. The department shall adopt rules
148 establishing standards for the approval of curriculum.

149 Section 4. Effective January 1, 2007, section 626.231,
150 Florida Statutes, is amended to read:

151 626.231 Eligibility; application for examination.--

152 (1) No person shall be permitted to take an examination
153 for license until his or her application for examination or
154 application for the license has been approved and the required
155 fees have been received by the department or a person designated
156 by the department to administer the examination.

157 (2) A person required to take an examination for a license
158 may be permitted to take an examination prior to submitting an
159 application for licensure pursuant to s. 626.171 by submitting
160 an application for examination through the department's Internet
161 website. In the application, the applicant shall set forth:

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

164 (b) The type of license that the applicant intends to
165 apply for.

166 (c) The name of any required prelicensing course he or she
167 has completed or is in the process of completing.

168 (d) The method by which the applicant intends to qualify
169 for the type of license if other than by completing a
170 prelicensing course.

171 (e) The applicant's gender (male or female).

172 (f) The applicant's native language.

173 (g) The highest level of education achieved by the
174 applicant.

175 (h) The applicant's race or ethnicity (African American,
176 white, American Indian, Asian, Hispanic, or other).

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178 However, the application must contain a statement that an
179 applicant is not required to disclose his or her race or
180 ethnicity, gender, or native language, that he or she will not
181 be penalized for not doing so, and that the department will use
182 this information exclusively for research and statistical
183 purposes and to improve the quality and fairness of the
184 examinations.

185 (3) Each application shall be accompanied by payment of
186 the applicable examination fee.

187 Section 5. Subsection (9) is added to section 626.241,
188 Florida Statutes, to read:

189 626.241 Scope of examination.--

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190 (9) This section applies to any person who submits an
 191 application for license and to any person who submits an
 192 application for examination prior to filing an application for
 193 license.

194 Section 6. Section 626.2415, Florida Statutes, is created
 195 to read:

196 626.2415 Annual report of results of life insurance
 197 examinations.--

198 (1) No later than May 1 of each year, the department or a
 199 person designated by the department shall prepare, publicly
 200 announce, and publish a report that summarizes statistical
 201 information relating to life insurance agent examinations
 202 administered during the preceding calendar year. Each report
 203 shall include the following information, for all examinees
 204 combined and separately by race or ethnicity, gender, race or
 205 ethnicity within gender, education level, and native language:

206 (a) The total number of examinees.

207 (b) The percentage and number of examinees who passed the
 208 examination.

209 (c) The mean scaled scores on the examination.

210 (d) Standard deviation of scaled scores on the
 211 examination.

212 (2) No later than May 1 of each year, the department or a
 213 person designated by the department shall prepare and make
 214 available upon request a report of summary statistical
 215 information relating to each operational item on each life
 216 insurance test form administered during the preceding calendar
 217 year. The report shall show, for each operational item, for all

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218 examinees combined and separately for African-American
 219 examinees, white examinees, American Indian examinees, Asian
 220 examinees, Hispanic examinees, and other examinees, the correct-
 221 answer rates and correlations.

222 (3) The department may provide a testing service provider,
 223 under contract with the department, demographic information
 224 received by the department on applications relating to
 225 examinations taken to qualify for an insurance agent license if
 226 the department requires the provider to review and analyze
 227 examination results in conjunction with the race or ethnicity,
 228 gender, education level, and native language of examinees.

229 Section 7. Subsection (1) of section 626.251, Florida
 230 Statutes, is amended to read:

231 626.251 Time and place of examination; notice.--

232 (1) The department or a person designated by the
 233 department shall mail written notice of the time and place of
 234 the examination to each applicant for examination and each
 235 applicant for license required to take an examination who will
 236 be eligible to take the examination as of the examination date.
 237 The notice shall be so mailed, postage prepaid, and addressed to
 238 the applicant at his or her address shown on the application for
 239 license or at such other address as requested by the applicant
 240 in writing filed with the department prior to the mailing of the
 241 notice. Notice shall be deemed given when so mailed.

242 Section 8. Effective January 1, 2007, subsection (1) of
 243 section 626.261, Florida Statutes, is amended to read:

244 626.261 Conduct of examination.--

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245 (1) The applicant for license or the applicant for
 246 examination shall appear in person and personally take the
 247 examination for license at the time and place specified by the
 248 department or by a person designated by the department.

249 Section 9. Subsection (1) of section 626.281, Florida
 250 Statutes, is amended to read:

251 626.281 Reexamination.--

252 (1) Any applicant for license or applicant for examination
 253 who has either:

254 (a) Taken an examination and failed to make a passing
 255 grade, or

256 (b) Failed to appear for the examination or to take or
 257 complete the examination at the time and place specified in the
 258 notice of the department,

259
 260 may take additional examinations, after filing with the
 261 department an application for reexamination together with
 262 applicable fees. The failure of an applicant to pass an
 263 examination or the failure to appear for the examination or to
 264 take or complete the examination does not preclude the applicant
 265 from taking subsequent examinations.

266 Section 10. Effective January 1, 2007, subsections (1) and
 267 (3) of section 626.291, Florida Statutes, are amended to read:

268 626.291 Examination results; denial, issuance of
 269 license.--

270 (1) Within 30 days after the applicant has completed any
 271 examination required under s. 626.221, the department or its
 272 designee shall provide a score report; and, if it finds that the

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273 applicant has received a passing grade, the department shall
274 within such period notify the applicant and issue and transmit
275 the license to which such examination related. If it finds that
276 the applicant did not make a passing grade on the examination
277 for a particular license, the department or its designee shall
278 within this period provide notice to the applicant to that
279 effect and of its denial of the license. For those applicants
280 who have completed the examination and received a passing grade
281 prior to submitting the license application, the department
282 shall promptly issue the license applied for as soon as the
283 department approves the application.

284 (3) A passing grade on an examination is valid for a
285 period of 1 year. The department shall not issue a license to an
286 applicant based on an examination taken more than 1 year prior
287 to the date that an application for license is filed. The
288 ~~department shall not deny, delay, or withhold issuance of a~~
289 ~~license due to the fact that it has not received a criminal~~
290 ~~history report based on the applicant's fingerprints.~~

291 Section 11. The sums of \$158,995 in recurring funds and
292 \$120,069 in nonrecurring funds are appropriated from the
293 Insurance Regulatory Trust Fund in the Department of Financial
294 Services for the 2006-2007 fiscal year for the purposes of
295 funding the provisions of this act, and three full-time
296 equivalent positions with 103,285 in associated salary rate are
297 authorized.

298 Section 12. Except as otherwise expressly provided in this
299 act, this act shall take effect July 1, 2006.