

Bill No. SB 2526

Barcode 954262

CHAMBER ACTION

Senate

House

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The Committee on Banking and Insurance (Posey) recommended the following amendment:

Senate Amendment (with title amendment)

Delete everything after the enacting clause

and insert:

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

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

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

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

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

(c) Whether he or she has been refused or has voluntarily surrendered or has had suspended or revoked a license to solicit insurance by the department or by the

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1 supervising officials of any state.

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

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

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

9 (g) The applicant's native language.

10 (h) The highest level of education achieved by the
11 applicant.

12 (i) The applicant's race or ethnicity (African
13 American, white, American Indian, Asian, Hispanic, or other).

14 (j)(f) Such other or additional information as the
15 department may deem proper to enable it to determine the
16 character, experience, ability, and other qualifications of
17 the applicant to hold himself or herself out to the public as
18 an insurance representative.

19
20 However, the application must contain a statement that an
21 applicant is not required to disclose his or her race or
22 ethnicity, gender, or native language, that he or she will not
23 be penalized for not doing so, and that the department will
24 use this information exclusively for research and statistical
25 purposes and to improve the quality and fairness of the
26 examinations.

27 (4) An applicant ~~application~~ for a license as an
28 agent, customer representative, adjuster, service
29 representative, managing general agent, or reinsurance
30 intermediary must submit ~~be accompanied by~~ a set of the
31 individual applicant's fingerprints, or, if the applicant is

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1 not an individual, by a set of the fingerprints of the sole
 2 proprietor, majority owner, partners, officers, and directors,
 3 ~~to the department and must pay on a form adopted by rule of~~
 4 ~~the department and accompanied by~~ the fingerprint processing
 5 fee set forth in s. 624.501. Fingerprints shall be used to
 6 investigate the applicant's qualifications pursuant to s.
 7 626.201. The fingerprints shall be taken by a law enforcement
 8 agency, designated examination center, or other
 9 department-approved entity. The department shall require all
 10 designated examination centers to have fingerprinting
 11 equipment and to take fingerprints from any applicant or
 12 prospective applicant who pays the applicable fee. The
 13 department may not approve an application for licensure as an
 14 agent, customer service representative, adjuster, service
 15 representative, managing general agent, or reinsurance
 16 intermediary if fingerprints have not been submitted.

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

20 626.211 Approval, disapproval of application.--

21 (1) If upon the basis of a completed application for
 22 license and such further inquiry or investigation as the
 23 department may make concerning an applicant the department is
 24 satisfied that, subject to any examination required to be
 25 taken and passed by the applicant for a license, the applicant
 26 is qualified for the license applied for and that all
 27 pertinent fees have been paid, it shall approve the
 28 application. ~~The department shall not deny, delay, or~~
 29 ~~withhold approval of an application due to the fact that it~~
 30 ~~has not received a criminal history report based on the~~
 31 ~~applicant's fingerprints.~~

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1 (2) Upon approval of an applicant for license as
 2 agent, customer representative, or adjuster who is subject to
 3 written examination, the department shall notify the applicant
 4 when and where he or she may take the required examination
 5 unless the applicant has taken and passed the examination
 6 within 1 year before the date of filing the application.

7 Section 3. Paragraph (k) of subsection (2) of section
 8 626.221, Florida Statutes, is amended to read:

9 626.221 Examination requirement; exemptions.--

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

12 (k) An applicant for license as an adjuster who has
 13 the designation of Accredited Claims Adjuster (ACA) from a
 14 regionally accredited postsecondary institution in this state,
 15 ~~or the designation of Professional Claims Adjuster (PCA) from~~
 16 ~~the Professional Career Institute, or Certified Claims~~
 17 ~~Adjuster (CCA) from the Association of Property and Casualty~~
 18 ~~Claims Professionals,~~ whose curriculum has been approved by
 19 the department and whose curriculum includes comprehensive
 20 analysis of basic property and casualty lines of insurance and
 21 testing at least equal to that of standard department testing
 22 for the all-lines adjuster license. The department shall adopt
 23 rules establishing standards for the approval of curriculum.

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

26 626.231 Eligibility; application for examination.--

27 (1) A ~~No~~ person may not ~~shall~~ be permitted to take an
 28 examination for license until his or her application for
 29 examination or application for the license has been approved
 30 and the required fees have been received by the department or
 31 a person designated by the department to administer the

1 examination.

2 (2) A person required to take an examination for a
3 license may be permitted to take an examination prior to
4 submitting an application for licensure pursuant to s. 626.171
5 by submitting an application for examination through the
6 department's Internet website. In the application, the
7 applicant shall set forth:

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

10 (b) The type of license that the applicant intends to
11 apply for.

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

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

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

18 (f) The applicant's native language.

19 (g) The highest level of education achieved by the
20 applicant.

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

23
24 However, the application must contain a statement that an
25 applicant is not required to disclose his or her race or
26 ethnicity, gender, or native language, that he or she will not
27 be penalized for not doing so, and that the department will
28 use this information exclusively for research and statistical
29 purposes and to improve the quality and fairness of the
30 examinations.

31 (3) Each application must be accompanied by payment of

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1 the applicable examination fee.

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

4 626.241 Scope of examination.--

5 (9) This section applies to any person who submits an
6 application for license and to any person who submits an
7 application for examination prior to filing an application for
8 license.

9 Section 6. Section 626.2415, Florida Statutes, is
10 created to read:

11 626.2415 Annual report of results of life insurance
12 examinations.--

13 (1) No later than May 1 of each year, the department
14 or a person designated by the department shall prepare,
15 publicly announce, and publish a report that summarizes
16 statistical information relating to life insurance agent
17 examinations administered during the preceding calendar year.
18 Each report shall include the following information for all
19 examinees, combined and separately by race or ethnicity,
20 gender, race or ethnicity within gender, education level, and
21 native language:

22 (a) The total number of examinees.

23 (b) The percentage and number of examinees who passed
24 the examination.

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

26 (d) Standard deviation of scaled scores on the
27 examination.

28 (2) No later than May 1 of each year, the department
29 or a person designated by the department shall prepare and
30 make available upon request a report of summary statistical
31 information relating to each operational item on each life

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1 insurance test form administered during the preceding calendar
 2 year. The report shall show, for each operational item, for
 3 all examinees combined and separately for African-American
 4 examinees, white examinees, American Indian examinees, Asian
 5 examinees, Hispanic examinees, and other examinees, the
 6 correct-answer rates and correlations.

7 (3) The department may provide a testing service
 8 provider, under contract with the department, demographic
 9 information received by the department on applications
 10 relating to examinations taken to qualify for an insurance
 11 agent license if the department requires the provider to
 12 review and analyze examination results in conjunction with the
 13 race or ethnicity, gender, education level, and native
 14 language of examinees.

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

17 626.251 Time and place of examination; notice.--

18 (1) The department or a person designated by the
 19 department shall mail written notice of the time and place of
 20 the examination to each applicant for examination and each
 21 applicant for license required to take an examination who will
 22 be eligible to take the examination as of the examination
 23 date. The notice shall be so mailed, postage prepaid, and
 24 addressed to the applicant at his or her address shown on the
 25 application for license or at such other address as requested
 26 by the applicant in writing filed with the department prior to
 27 the mailing of the notice. Notice shall be deemed given when
 28 so mailed.

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

31 626.261 Conduct of examination.--

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1 (1) The applicant for license or the applicant for
 2 examination shall appear in person and personally take the
 3 examination for license at the time and place specified by the
 4 department or by a person designated by the department.

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

7 626.281 Reexamination.--

8 (1) Any applicant for license or applicant for
 9 examination who has either:

10 (a) Taken an examination and failed to make a passing
 11 grade, or

12 (b) Failed to appear for the examination or to take or
 13 complete the examination at the time and place specified in
 14 the notice of the department,

15
 16 may take additional examinations, after filing with the
 17 department an application for reexamination together with
 18 applicable fees. The failure of an applicant to pass an
 19 examination or the failure to appear for the examination or to
 20 take or complete the examination does not preclude the
 21 applicant from taking subsequent examinations.

22 Section 10. Effective January 1, 2007, section
 23 626.291, Florida Statutes, is amended to read:

24 626.291 Examination results; denial, issuance of
 25 license.--

26 (1) Within 30 days after the applicant has completed
 27 any examination required under s. 626.221, the department or
 28 its designee shall provide a score report; and, if it finds
 29 that the applicant has received a passing grade, the
 30 department shall within such period notify the applicant and
 31 issue and transmit the license to which such examination

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1 related. If it finds that the applicant did not make a
 2 passing grade on the examination for a particular license, the
 3 department or its designee shall within this period provide
 4 notice to the applicant to that effect and of its denial of
 5 the license. For those applicants who have completed the
 6 examination and received a passing grade prior to submitting
 7 the license application, the department shall promptly issue
 8 the license applied for as soon as the department approves the
 9 application.

10 (2) As to an applicant for a license for which no
 11 examination is required, the department shall promptly issue
 12 the license applied for as soon as it has approved the
 13 application.

14 (3) A passing grade on an examination is valid for a
 15 period of 1 year. The department may not issue a license to an
 16 applicant based on an examination taken more than 1 year prior
 17 to the date that an application for license is filed. The
 18 department shall not deny, delay, or withhold issuance of a
 19 license due to the fact that it has not received a criminal
 20 history report based on the applicant's fingerprints.

21 Section 11. The sums of \$158,995 in recurring funds
 22 and \$120,069 in nonrecurring funds are appropriated from the
 23 Insurance Regulatory Trust Fund in the Department of Financial
 24 Services for the 2006-2007 fiscal year for the purposes of
 25 funding this act, and three full-time equivalent positions
 26 with \$103,285 in associated salary rate are authorized.

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

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

2 And the title is amended as follows:

3 Delete everything before the enacting clause

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5 and insert:

6 A bill to be entitled

7 An act relating to insurance agents; amending

8 s. 626.171, F.S.; providing additional

9 requirements for applications for certain

10 licenses; requiring applicants to submit

11 fingerprints and pay a processing fee;

12 providing for fingerprints to be taken by a

13 designated examination center; requiring the

14 Department of Financial Services to require

15 designated examination centers to have certain

16 equipment; prohibiting the department from

17 approving licensure applications without

18 submitted fingerprints; amending s. 626.211,

19 F.S.; deleting a prohibition against the

20 department denying, delaying, or withholding

21 approval of applications lacking a criminal

22 history report; revising circumstances under

23 which the department must notify an applicant

24 about examinations; amending s. 626.221, F.S.;

25 expanding the authorized adjuster designations

26 for exemptions from adjuster license

27 examinations; amending s. 626.231, F.S.;

28 providing authorization and procedures for

29 applying on the department's Internet website

30 to take a licensure examination prior to

31 applying for licensure; specifying required

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1 application information; requiring an
2 application disclosure statement; requiring
3 payment of an examination fee with an
4 application; amending s. 626.241, F.S.;
5 providing for application of certain
6 examination provisions to certain persons;
7 creating s. 626.2415, F.S.; requiring the
8 department to annually prepare, publicly
9 announce, and publish reports of certain
10 examination statistical information; providing
11 report requirements; authorizing the department
12 to provide certain contracted testing service
13 providers with certain demographic application
14 information under certain circumstances;
15 amending s. 626.251, F.S.; requiring the
16 department to provide certain information to
17 examination applicants; amending s. 626.261,
18 F.S.; requiring examination applicants to
19 personally take the examination; amending s.
20 626.281, F.S.; applying reexamination
21 provisions to examination applicants; amending
22 s. 626.291, F.S.; requiring the department to
23 issue a license for certain applicants after
24 the department approves the application;
25 specifying a period of validity of a passing
26 examination grade; prohibiting the department
27 from issuing a license based on an examination
28 taken more than 1 year prior to filing an
29 application; providing appropriations;
30 authorizing additional positions; providing
31 effective dates.