



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

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28 Be It Enacted by the Legislature of the State of Florida:  
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1           Section 1. Effective January 1, 2007, subsections (2)  
2 and (4) of section 626.171, Florida Statutes, are amended to  
3 read:

4           626.171 Application for license as an agent, customer  
5 representative, adjuster, service representative, managing  
6 general agent, or reinsurance intermediary.--

7           (2) In the application, the 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) Proof that he or she has completed or is in the  
11 process of completing any required prelicensing course.

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

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

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

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

23           (g) The applicant's native language.

24           (h) The highest level of education achieved by the  
25 applicant.

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

28           ~~(j)(f)~~ Such other or additional information as the  
29 department may deem proper to enable it to determine the  
30 character, experience, ability, and other qualifications of  
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1 the applicant to hold himself or herself out to the public as  
2 an insurance representative.

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4 However, the application must contain a statement that an  
5 applicant is not required to disclose his or her race or  
6 ethnicity, gender, or native language, that he or she will not  
7 be penalized for not doing so, and that the department will  
8 use this information exclusively for research and statistical  
9 purposes and to improve the quality and fairness of the  
10 examinations.

11 (4) An applicant ~~application~~ for a license as an  
12 agent, customer representative, adjuster, service  
13 representative, managing general agent, or reinsurance  
14 intermediary must submit ~~be accompanied by~~ a set of the  
15 individual applicant's fingerprints, or, if the applicant is  
16 not an individual, by a set of the fingerprints of the sole  
17 proprietor, majority owner, partners, officers, and directors,  
18 to the department and must pay on a form adopted by rule of  
19 the department and accompanied by the fingerprint processing  
20 fee set forth in s. 624.501. Fingerprints shall be used to  
21 investigate the applicant's qualifications pursuant to s.  
22 626.201. The fingerprints shall be taken by a law enforcement  
23 agency, designated examination center, or other  
24 department-approved entity. The department shall require all  
25 designated examination centers to have fingerprinting  
26 equipment and to take fingerprints from any applicant or  
27 prospective applicant who pays the applicable fee. The  
28 department may not approve an application for licensure as an  
29 agent, customer service representative, adjuster, service  
30 representative, managing general agent, or reinsurance  
31 intermediary if fingerprints have not been submitted.

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

4           626.211 Approval, disapproval of application.--

5           (1) If upon the basis of a completed application for  
6 license and such further inquiry or investigation as the  
7 department may make concerning an applicant the department is  
8 satisfied that, subject to any examination required to be  
9 taken and passed by the applicant for a license, the applicant  
10 is qualified for the license applied for and that all  
11 pertinent fees have been paid, it shall approve the  
12 application. ~~The department shall not deny, delay, or~~  
13 ~~withhold approval of an application due to the fact that it~~  
14 ~~has not received a criminal history report based on the~~  
15 ~~applicant's fingerprints.~~

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

22           Section 3. Paragraph (k) of subsection (2) of section  
23 626.221, Florida Statutes, is amended to read:

24           626.221 Examination requirement; exemptions.--

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

27           (k) An applicant for license as an adjuster who has  
28 the designation of Accredited Claims Adjuster (ACA) from a  
29 regionally accredited postsecondary institution in this state,  
30 ~~or the designation of Professional Claims Adjuster (PCA) from~~  
31 the Professional Career Institute, or Certified Claims

1 Adjuster (CCA) from the Association of Property and Casualty  
2 Claims Professionals, whose curriculum has been approved by  
3 the department and whose curriculum includes comprehensive  
4 analysis of basic property and casualty lines of insurance and  
5 testing at least equal to that of standard department testing  
6 for the all-lines adjuster license. The department shall adopt  
7 rules establishing standards for the approval of curriculum.

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

10 626.231 Eligibility; application for examination.--

11 (1) ~~A No~~ person may not shall be permitted to take an  
12 examination for license until his or her application for  
13 examination or application for the license has been approved  
14 and the required fees have been received by the department or  
15 a person designated by the department to administer the  
16 examination.

17 (2) A person required to take an examination for a  
18 license may be permitted to take an examination prior to  
19 submitting an application for licensure pursuant to s. 626.171  
20 by submitting an application for examination through the  
21 department's Internet website. In the application, the  
22 applicant shall set forth:

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

25 (b) The type of license that the applicant intends to  
26 apply for.

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

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

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

2           (f) The applicant's native language.

3           (g) The highest level of education achieved by the  
4 applicant.

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

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8 However, the application must contain a statement that an  
9 applicant is not required to disclose his or her race or  
10 ethnicity, gender, or native language, that he or she will not  
11 be penalized for not doing so, and that the department will  
12 use this information exclusively for research and statistical  
13 purposes and to improve the quality and fairness of the  
14 examinations.

15           (3) Each application must be accompanied by payment of  
16 the applicable examination fee.

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

19           626.241 Scope of examination.--

20           (9) This section applies to any person who submits an  
21 application for license and to any person who submits an  
22 application for examination prior to filing an application for  
23 license.

24           Section 6. Section 626.2415, Florida Statutes, is  
25 created to read:

26           626.2415 Annual report of results of life insurance  
27 examinations.--

28           (1) No later than May 1 of each year, the department  
29 or a person designated by the department shall prepare,  
30 publicly announce, and publish a report that summarizes  
31 statistical information relating to life insurance agent

1 examinations administered during the preceding calendar year.

2 Each report shall include the following information for all  
3 examinees, combined and separately by race or ethnicity,  
4 gender, race or ethnicity within gender, education level, and  
5 native language:

6 (a) The total number of examinees.

7 (b) The percentage and number of examinees who passed  
8 the examination.

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

10 (d) Standard deviation of scaled scores on the  
11 examination.

12 (2) No later than May 1 of each year, the department  
13 or a person designated by the department shall prepare and  
14 make available upon request a report of summary statistical  
15 information relating to each operational item on each life  
16 insurance test form administered during the preceding calendar  
17 year. The report shall show, for each operational item, for  
18 all examinees combined and separately for African-American  
19 examinees, white examinees, American Indian examinees, Asian  
20 examinees, Hispanic examinees, and other examinees, the  
21 correct-answer rates and correlations.

22 (3) The department may provide a testing service  
23 provider, under contract with the department, demographic  
24 information received by the department on applications  
25 relating to examinations taken to qualify for an insurance  
26 agent license if the department requires the provider to  
27 review and analyze examination results in conjunction with the  
28 race or ethnicity, gender, education level, and native  
29 language of examinees.

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



1           626.251 Time and place of examination; notice.--

2           (1) The department or a person designated by the  
3 department shall mail written notice of the time and place of  
4 the examination to each applicant for examination and each  
5 applicant for license required to take an examination who will  
6 be eligible to take the examination as of the examination  
7 date. The notice shall be so mailed, postage prepaid, and  
8 addressed to the applicant at his or her address shown on the  
9 application for license or at such other address as requested  
10 by the applicant in writing filed with the department prior to  
11 the mailing of the notice. Notice shall be deemed given when  
12 so mailed.

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

15           626.261 Conduct of examination.--

16           (1) The applicant for license or the applicant for  
17 examination shall appear in person and personally take the  
18 examination for license at the time and place specified by the  
19 department or by a person designated by the department.

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

22           626.281 Reexamination.--

23           (1) Any applicant for license or applicant for  
24 examination who has either:

25           (a) Taken an examination and failed to make a passing  
26 grade, or

27           (b) Failed to appear for the examination or to take or  
28 complete the examination at the time and place specified in  
29 the notice of the department,  
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1 may take additional examinations, after filing with the  
2 department an application for reexamination together with  
3 applicable fees. The failure of an applicant to pass an  
4 examination or the failure to appear for the examination or to  
5 take or complete the examination does not preclude the  
6 applicant from taking subsequent examinations.

7 Section 10. Effective January 1, 2007, section  
8 626.291, Florida Statutes, is amended to read:

9 626.291 Examination results; denial, issuance of  
10 license.--

11 (1) Within 30 days after the applicant has completed  
12 any examination required under s. 626.221, the department or  
13 its designee shall provide a score report; and, if it finds  
14 that the applicant has received a passing grade, the  
15 department shall within such period notify the applicant and  
16 issue and transmit the license to which such examination  
17 related. If it finds that the applicant did not make a  
18 passing grade on the examination for a particular license, the  
19 department or its designee shall within this period provide  
20 notice to the applicant to that effect and of its denial of  
21 the license. For those applicants who have completed the  
22 examination and received a passing grade prior to submitting  
23 the license application, the department shall promptly issue  
24 the license applied for as soon as the department approves the  
25 application.

26 (2) As to an applicant for a license for which no  
27 examination is required, the department shall promptly issue  
28 the license applied for as soon as it has approved the  
29 application.

30 (3) A passing grade on an examination is valid for a  
31 period of 1 year. The department may not issue a license to an

1 applicant based on an examination taken more than 1 year prior  
2 to the date that an application for license is filed. The  
3 ~~department shall not deny, delay, or withhold issuance of a~~  
4 ~~license due to the fact that it has not received a criminal~~  
5 ~~history report based on the applicant's fingerprints.~~

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

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

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STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
COMMITTEE SUBSTITUTE FOR  
Senate Bill 2526

1. Allows fingerprints of insurance agent applicants to be taken at a designated examination center and requires DFS to have fingerprinting equipment available.
2. Deletes a prohibition against the Department of Financial Services (DFS) denying, delaying, or withholding approval of license applications without a criminal history report.
3. Revises circumstances under which the department must notify an applicant about license examinations.
4. Exempts from the examination requirement for a claims adjuster an individual who has obtained certification as a claims adjuster from the Association of Property and Casualty Claims Professionals.
5. Provides procedures for applying for agent licensure examination prior to applying for licensure.
6. Allows insurance agent applicants to voluntarily disclose their race, ethnicity, gender, and native language on license applications to the (DFS) which will use the information for research and statistical purposes to improve the fairness of the license examinations.
7. Requires DFS to annually publish a report summarizing information relating to life insurance agent examinations administered each year, including ethnic classifications (race, ethnicity, gender, or native language) pertaining to passing rates and correct-answer rates.
8. Requires DFS to provide certain information to examination applicants.
9. Appropriates to DFS \$158,995 (recurring) and \$120,069 (non-recurring), from the Insurance Regulatory Trust Fund, and 3 full-time positions with a \$103,285 associated salary rate.