

1 A bill to be entitled

2 An act relating to insurance representatives; amending s.
3 626.221, F.S.; providing an exemption from the required
4 written examination to certain applicants for licensure as
5 a claims adjuster; amending s. 626.7851, F.S.; authorizing
6 certain programs to offer correspondence courses to
7 applicants for licensure as a life insurance agent;
8 amending s. 626.8311, F.S.; authorizing certain programs
9 to offer correspondence courses to applicants for
10 licensure as a health insurance agent; amending s.
11 626.747, F.S.; authorizing certain licensed agents to be
12 the agent in charge of branch locations under certain
13 circumstances; amending s. 626.865, F.S.; requiring public
14 adjusters to maintain their surety bond unimpaired for a
15 certain period; amending s. 626.869, F.S.; authorizing an
16 extension of time to complete continuing education
17 requirements for public adjusters; amending s. 626.8698,
18 F.S.; designating the Department of Financial Services as
19 the appropriate agency responsible for disciplinary action
20 against public adjusters; amending s. 626.921, F.S.;
21 providing that the department is responsible for approval
22 of the surplus lines agent manual; amending s. 626.9531,
23 F.S.; revising requirements for identification of
24 insurers, agents, and insurance contracts; specifying
25 absence of liability and prohibiting causes of action
26 against certain agents for insolvency of certain entities
27 under certain circumstances; providing definitions;
28 amending s. 626.9611, F.S.; requiring that the department

29 and Financial Services Commission adopt rules prohibiting
 30 the use of unfair and deceptive practices in the sale of
 31 insurance to members of the United States Armed Forces;
 32 providing limitations; providing an appropriation;
 33 providing effective dates.

34

35 Be It Enacted by the Legislature of the State of Florida:

36

37 Section 1. Paragraph (k) of subsection (2) of section
 38 626.221, Florida Statutes, is amended to read:

39 626.221 Examination requirement; exemptions.--

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

42 (k) An applicant for license as an independent or company
 43 employee adjuster who has the designation of Accredited Claims
 44 Adjuster (ACA) from a regionally accredited postsecondary
 45 institution in this state, Professional Claims Adjuster (PCA)
 46 from the Professional Career Institute, Professional Property
 47 Insurance Adjuster (PPIA) from the HurriClaim Training Academy,
 48 Certified Professional Claims Adjuster (CPCA) from ALL LINES
 49 Training, or Certified Claims Adjuster (CCA) from the
 50 Association of Property and Casualty Claims Professionals whose
 51 curriculum has been approved by the department and whose
 52 curriculum includes comprehensive analysis of basic property and
 53 casualty lines of insurance and testing at least equal to that
 54 of standard department testing for the all-lines adjuster
 55 license. The department shall adopt rules establishing standards
 56 for the approval of curriculum.

57 Section 2. Subsection (2) of section 626.7851, Florida
 58 Statutes, is amended to read:

59 626.7851 Requirement as to knowledge, experience, or
 60 instruction.--No applicant for a license as a life agent, except
 61 for a chartered life underwriter (CLU), shall be qualified or
 62 licensed unless within the 4 years immediately preceding the
 63 date the application for a license is filed with the department
 64 he or she has:

65 (2) Successfully completed a correspondence course in
 66 insurance, 3 hours of which shall be on the subject matter of
 67 ethics, satisfactory to the department and regularly offered by
 68 accredited institutions of higher learning in this state or by
 69 independent programs of study, approved by the department.
 70 Courses must include instruction on the subject matter of
 71 unauthorized entities engaging in the business of insurance, to
 72 include the Florida Nonprofit Multiple-Employer Welfare
 73 Arrangement Act and the Employee Retirement Income Security Act,
 74 29 U.S.C. ss. 1001 et seq., as it relates to the provision of
 75 life insurance by employers to their employees and the
 76 regulation thereof;

77 Section 3. Subsection (2) of section 626.8311, Florida
 78 Statutes, is amended to read:

79 626.8311 Requirement as to knowledge, experience, or
 80 instruction.--No applicant for a license as a health agent,
 81 except for a chartered life underwriter (CLU), shall be
 82 qualified or licensed unless within the 4 years immediately
 83 preceding the date the application for license is filed with the
 84 department he or she has:

85 (2) Successfully completed a correspondence course in
86 insurance, 3 hours of which shall be on the subject matter of
87 ethics, satisfactory to the department and regularly offered by
88 accredited institutions of higher learning in this state or by
89 independent programs of study, approved by the department.
90 Courses must include instruction on the subject matter of
91 unauthorized entities engaging in the business of insurance, to
92 include the Florida Nonprofit Multiple-Employer Welfare
93 Arrangement Act and the Employee Retirement Income Security Act,
94 29 U.S.C. ss. 1001 et seq., as it relates to the provision of
95 health insurance by employers to their employees and the
96 regulation thereof;

97 Section 4. Effective January 1, 2008, subsection (1) of
98 section 626.747, Florida Statutes, is amended to read:

99 626.747 Branch agencies.--

100 (1) (a) Each branch place of business established by an
101 agent or agency, firm, corporation, or association shall be in
102 the active full-time charge of a licensed general lines agent or
103 life or health agent who is appointed to represent one or more
104 insurers. Any agent or agency, firm, corporation, or association
105 which has established one or more branch places of business
106 shall be required to have at least one licensed general lines
107 agent who is appointed to represent one or more insurers at each
108 location of the agency including its headquarters location.

109 (b) Notwithstanding paragraph (a), the licensed agent in
110 charge of an insurance agency may also be the agent in charge of
111 additional branch office locations of the agency if insurance
112 activities requiring licensure as an insurance agent do not

113 occur at any location when the agent is not physically present
 114 and unlicensed employees at the location do not engage in any
 115 insurance activities requiring licensure as an insurance agent
 116 or customer service representative.

117 Section 5. Subsection (2) of section 626.865, Florida
 118 Statutes, is amended to read:

119 626.865 Public adjuster's qualifications, bond.--

120 (2) At the time of application for license as a public
 121 adjuster, the applicant shall file with the department a bond
 122 executed and issued by a surety insurer authorized to transact
 123 such business in this state, in the amount of \$50,000,
 124 conditioned for the faithful performance of his or her duties as
 125 a public adjuster under the license for which the applicant has
 126 applied, and thereafter maintain the bond unimpaired throughout
 127 the existence of the license and for at least 1 year after
 128 termination of the license ~~for~~. The bond shall be in favor of
 129 the department and shall specifically authorize recovery by the
 130 department of the damages sustained in case the licensee is
 131 guilty of fraud or unfair practices in connection with his or
 132 her business as public adjuster. The aggregate liability of the
 133 surety for all such damages shall in no event exceed the amount
 134 of the bond. Such bond shall not be terminated unless at least
 135 30 days' written notice is given to the licensee and filed with
 136 the department.

137 Section 6. Paragraph (c) of subsection (4) of section
 138 626.869, Florida Statutes, is amended to read:

139 626.869 License, adjusters.--

140 (4)

141 (c) The department shall adopt rules necessary to
 142 implement and administer the continuing education requirements
 143 of this subsection. For good cause shown, the department may
 144 grant an extension of time during which the requirements imposed
 145 by this section may be completed, but such extension of time may
 146 not exceed 1 year.

147 Section 7. Subsection (1) of section 626.8698, Florida
 148 Statutes, is amended to read:

149 626.8698 Disciplinary guidelines for public
 150 adjusters.--The department may deny, suspend, or revoke the
 151 license of a public adjuster, and administer a fine not to
 152 exceed \$5,000 per act, for any of the following:

153 (1) Violating any provision of this chapter or a rule or
 154 order of the department ~~office or commission~~;

155 Section 8. Paragraphs (a) and (c) of section 626.921,
 156 Florida Statutes, are amended to read:

157 626.921 Florida Surplus Lines Service Office.--

158 (5)(a) The association shall submit to the office a plan
 159 of operation, and any amendments thereto, to provide operating
 160 procedures for the administration of the service office. The
 161 plan of operation and any amendments thereto shall become
 162 effective upon approval by order of the office. The association
 163 shall submit to the department an agents' manual, and any
 164 amendments thereto, which shall provide administrative
 165 procedures that surplus lines insurance agents must follow with
 166 respect to their duties to the service office. The manual shall
 167 be prepared in cooperation with the department, and any changes,
 168 updates, or amendments shall be submitted to the department

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169 before distribution. The manual shall be approved by order of
170 the department.

171 (c) All surplus lines agents licensed in this state must
172 comply with the plan of operation and the agent's manual.

173 Section 9. Section 626.9531, Florida Statutes, is amended
174 to read:

175 626.9531 Identification of insurers, agents, and insurance
176 contracts.--

177 (1) Advertising materials and other communications
178 developed by insurers, or other risk bearing entities authorized
179 under this code and approved by the office to do business in
180 this state, regarding insurance products shall clearly indicate
181 that the communication relates to insurance products. When
182 soliciting or selling insurance products, agents shall clearly
183 indicate to prospective insureds that they are acting as
184 insurance agents with regard to insurance products and
185 identified insurers, or other risk bearing entities authorized
186 under this code and approved by the office to do business in
187 this state.

188 (2) There shall be no liability on the part of, and no
189 cause of action of any nature shall arise against, any licensed
190 and appointed insurance agent for the insolvency of any risk
191 bearing entity when such entity has been duly authorized or
192 approved by the office to do business in this state. However if
193 the licensed and appointed agent was a controlling producer, as
194 defined in s. 626.7491(2), of the risk bearing entity within 2
195 years preceding the insolvency, the agent is subject to penalty
196 as provided in s. 626.7491(8).

197 (3) For the purposes of this section, the term "risk
 198 bearing entity" means a reciprocal insurer as defined in s.
 199 629.021, a commercial self-insurance fund as defined in s.
 200 624.462, a group self-insurance fund as defined in s. 624.4621,
 201 a local government self-insurance fund as defined in s.
 202 624.4622, a self-insured public utility as defined in s.
 203 624.46225, or an independent educational institution self-
 204 insurance fund as defined in s. 624.4623. For the purposes of
 205 this section, the term "risk bearing entity" does not include an
 206 authorized insurer as defined in s. 624.09.

207 Section 10. Section 626.9611, Florida Statutes, is amended
 208 to read:

209 626.9611 Rules.--

210 (1) The department or commission may, in accordance with
 211 chapter 120, adopt reasonable rules as are necessary or proper
 212 to identify specific methods of competition or acts or practices
 213 which are prohibited by s. 626.9541 or s. 626.9551, but the
 214 rules shall not enlarge upon or extend the provisions of ss.
 215 626.9541 and 626.9551.

216 (2) The department and the commission shall, in accordance
 217 with chapter 120, adopt rules to protect members of the United
 218 States Armed Forces from dishonest or predatory insurance sales
 219 practices by insurers and insurance agents. The rules shall
 220 identify specific false, misleading, deceptive, or unfair
 221 methods of competition, acts, or practices which are prohibited
 222 by s. 626.9541 or s. 626.9551. The rules shall be based upon
 223 model rules or model laws adopted by the National Association of
 224 Insurance Commissioners which identify certain insurance

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225 practices involving the solicitation or sale of insurance and
226 annuities to members of the United States Armed Forces which are
227 false, misleading, deceptive, or unfair.

228 Section 11. For the 2007-2008 fiscal year, the sum of
229 \$132,000 in nonrecurring funds is appropriated from the
230 Insurance Regulatory Trust Fund to the Department of Financial
231 Services for computer system changes necessary to implement the
232 provisions of s. 626.747, Florida Statutes.

233 Section 12. Except as otherwise expressly provided in this
234 act, this act shall take effect July 1, 2007.