

Bill No. SB 2702

Barcode 232954

CHAMBER ACTION

Senate

House

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

Senate Amendment (with title amendment)

Delete everything after the enacting clause

and insert:

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

626.221 Examination requirement; exemptions.--

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

(k) An applicant for license as an independent or
company employee adjuster who has the designation of
Accredited Claims Adjuster (ACA) from a regionally accredited
postsecondary institution in this state, Professional Claims
Adjuster (PCA) from the Professional Career Institute,
Professional Property Insurance Adjuster (PPIA) from the
HurriClaim Training Academy, or Certified Claims Adjuster
(CCA) from the Association of Property and Casualty Claims
Professionals whose curriculum has been approved by the

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1 department and whose curriculum includes comprehensive
 2 analysis of basic property and casualty lines of insurance and
 3 testing at least equal to that of standard department testing
 4 for the all-lines adjuster license. The department shall adopt
 5 rules establishing standards for the approval of curriculum.

6 Section 2. Section 626.7851, Florida Statutes, is
 7 amended to read:

8 626.7851 Requirement as to knowledge, experience, or
 9 instruction.--No applicant for a license as a life agent,
 10 except for a chartered life underwriter (CLU), shall be
 11 qualified or licensed unless within the 4 years immediately
 12 preceding the date the application for a license is filed with
 13 the department he or she has:

14 (1) Successfully completed 40 hours of classroom
 15 courses in insurance, 3 hours of which shall be on the subject
 16 matter of ethics, satisfactory to the department at a school
 17 or college, or extension division thereof, or other authorized
 18 course of study, approved by the department. Courses must
 19 include instruction on the subject matter of unauthorized
 20 entities engaging in the business of insurance, to include the
 21 Florida Nonprofit Multiple-Employer Welfare Arrangement Act
 22 and the Employee Retirement Income Security Act, 29 U.S.C. ss.
 23 1001 et seq., as it relates to the provision of life insurance
 24 by employers to their employees and the regulation thereof;

25 (2) Successfully completed a correspondence course in
 26 insurance, 3 hours of which shall be on the subject matter of
 27 ethics, satisfactory to the department and regularly offered
 28 by accredited institutions of higher learning in this state or
 29 by independent programs of study, approved by the department.
 30 Courses must include instruction on the subject matter of
 31 unauthorized entities engaging in the business of insurance,

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1 to include the Florida Nonprofit Multiple-Employer Welfare
2 Arrangement Act and the Employee Retirement Income Security
3 Act, 29 U.S.C. ss. 1001 et seq., as it relates to the
4 provision of life insurance by employers to their employees
5 and the regulation thereof;

6 (3) Held an active license in life, or life and
7 health, insurance in another state. This provision may not be
8 utilized unless the other state grants reciprocal treatment to
9 licensees formerly licensed in Florida; or

10 (4) Been employed by the department or office for at
11 least 1 year, full time in life or life and health insurance
12 regulatory matters and who was not terminated for cause, and
13 application for examination is made within 90 days after the
14 date of termination of his or her employment with the
15 department or office.

16 Section 3. Section 626.8311, Florida Statutes, is
17 amended to read:

18 626.8311 Requirement as to knowledge, experience, or
19 instruction.--No applicant for a license as a health agent,
20 except for a chartered life underwriter (CLU), shall be
21 qualified or licensed unless within the 4 years immediately
22 preceding the date the application for license is filed with
23 the department he or she has:

24 (1) Successfully completed 40 hours of classroom
25 courses in insurance, 3 hours of which shall be on the subject
26 matter of ethics, satisfactory to the department at a school
27 or college, or extension division thereof, or other authorized
28 course of study, approved by the department. Courses must
29 include instruction on the subject matter of unauthorized
30 entities engaging in the business of insurance, to include the
31 Florida Nonprofit Multiple-Employer Welfare Arrangement Act

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1 and the Employee Retirement Income Security Act, 29 U.S.C. ss.
2 1001 et seq., as it relates to the provision of health
3 insurance by employers to their employees and the regulation
4 thereof;

5 (2) Successfully completed a correspondence course in
6 insurance, 3 hours of which shall be on the subject matter of
7 ethics, satisfactory to the department and regularly offered
8 by accredited institutions of higher learning in this state or
9 by independent programs of study, approved by the department.

10 Courses must include instruction on the subject matter of
11 unauthorized entities engaging in the business of insurance,
12 to include the Florida Nonprofit Multiple-Employer Welfare
13 Arrangement Act and the Employee Retirement Income Security
14 Act, 29 U.S.C. ss. 1001 et seq., as it relates to the
15 provision of health insurance by employers to their employees
16 and the regulation thereof;

17 (3) Held an active license in health, or life and
18 health, insurance in another state. This provision may not be
19 utilized unless the other state grants reciprocal treatment to
20 licensees formerly licensed in Florida; or

21 (4) Been employed by the department or office for at
22 least 1 year, full time in health insurance regulatory matters
23 and who was not terminated for cause, and application for
24 examination is made within 90 days after the date of
25 termination of his or her employment with the department or
26 office.

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

29 626.747 Branch agencies.--

30 (1)(a) Each branch place of business established by an
31 agent or agency, firm, corporation, or association shall be in

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1 the active full-time charge of a licensed general lines agent
 2 or life or health agent who is appointed to represent one or
 3 more insurers. Any agent or agency, firm, corporation, or
 4 association which has established one or more branch places of
 5 business shall be required to have at least one licensed
 6 general lines agent who is appointed to represent one or more
 7 insurers at each location of the agency including its
 8 headquarters location.

9 (b) Notwithstanding paragraph (a), the licensed agent
 10 in charge of an insurance agency may also be the agent in
 11 charge of additional branch office locations of the agency if
 12 insurance activities requiring licensure as an insurance agent
 13 do not occur at any location when the agent is not physically
 14 present and unlicensed employees at the location do not engage
 15 in any insurance activities requiring licensure as an
 16 insurance agent or customer service representative.

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

19 626.865 Public adjuster's qualifications, bond.--

20 (2) At the time of application for license as a public
 21 adjuster, the applicant shall file with the department a bond
 22 executed and issued by a surety insurer authorized to transact
 23 such business in this state, in the amount of \$50,000,
 24 conditioned for the faithful performance of his or her duties
 25 as a public adjuster under the license for which the applicant
 26 has applied, and thereafter maintain the bond unimpaired
 27 throughout the existence of the license and for at least 1
 28 year after termination of the license ~~for~~. The bond shall be
 29 in favor of the department and shall specifically authorize
 30 recovery by the department of the damages sustained in case
 31 the licensee is guilty of fraud or unfair practices in

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1 connection with his or her business as public adjuster. The
 2 aggregate liability of the surety for all such damages shall
 3 in no event exceed the amount of the bond. Such bond shall
 4 not be terminated unless at least 30 days' written notice is
 5 given to the licensee and filed with the department.

6 Section 6. Paragraph (c) of subsection (4) of section
 7 626.869, Florida Statutes, is amended to read:

8 626.869 License, adjusters.--

9 (4)

10 (c) The department shall adopt rules necessary to
 11 implement and administer the continuing education requirements
 12 of this subsection. For good cause shown, the department may
 13 grant an extension of time during which the requirements
 14 imposed by this section may be completed, but such extension
 15 of time may not exceed 1 year.

16 Section 7. Section 626.8698, Florida Statutes, is
 17 amended to read:

18 626.8698 Disciplinary guidelines for public
 19 adjusters.--The department may deny, suspend, or revoke the
 20 license of a public adjuster, and administer a fine not to
 21 exceed \$5,000 per act, for any of the following:

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

24 (2) Receiving payment or anything of value as a result
 25 of an unfair or deceptive practice;

26 (3) Receiving or accepting any fee, kickback, or other
 27 thing of value pursuant to any agreement or understanding,
 28 oral or otherwise; entering into a split-fee arrangement with
 29 another person who is not a public adjuster; or being
 30 otherwise paid or accepting payment for services that have not
 31 been performed;

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1 (4) Violating s. 316.066 or s. 817.234;

2 (5) Soliciting or otherwise taking advantage of a
3 person who is vulnerable, emotional, or otherwise upset as the
4 result of a trauma, accident, or other similar occurrence; or

5 (6) Violating any ethical rule of the department.

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

8 626.921 Florida Surplus Lines Service Office.--

9 (5)(a) The association shall submit to the office a
10 plan of operation, and any amendments thereto, to provide
11 operating procedures for the administration of the service
12 office. The plan of operation and any amendments thereto shall
13 become effective upon approval by order of the office. The
14 association shall submit to the department an agents' manual,
15 and any amendments thereto, which shall provide administrative
16 procedures that surplus lines insurance agents must follow
17 with respect to their duties to the service office. The manual
18 shall be prepared in cooperation with the department, and any
19 changes, updates, or amendments shall be submitted to the
20 department before distribution. The manual shall be approved
21 by order of the department.

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

24 Section 9. Section 626.9611, Florida Statutes, is
25 amended to read:

26 626.9611 Rules.--

27 (1) The department or commission may, in accordance
28 with chapter 120, adopt reasonable rules as are necessary or
29 proper to identify specific methods of competition or acts or
30 practices which are prohibited by s. 626.9541 or s. 626.9551,
31 but the rules shall not enlarge upon or extend the provisions

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1 of ss. 626.9541 and 626.9551.

2 (2) The department and the commission shall, in
3 accordance with chapter 120, adopt rules to protect members of
4 the United States Armed Forces from dishonest or predatory
5 insurance sales practices by insurers and insurance agents.

6 The rules shall identify specific false, misleading,
7 deceptive, or unfair methods of competition, acts, or
8 practices which are prohibited by s. 626.9541 or s. 626.9551.

9 The rules shall be based upon model rules or model laws
10 adopted by the National Association of Insurance Commissioners
11 which identify certain insurance practices involving the
12 solicitation or sale of insurance and annuities to members of
13 the United States Armed Forces which are false, misleading,
14 deceptive, or unfair.

15 Section 10. For the 2007-2008 fiscal year, the sum of
16 \$132,000 in nonrecurring funds is appropriated from the
17 Insurance Regulatory Trust Fund to the Department of Financial
18 Services for computer system changes necessary to implement
19 the provisions of s. 626.747, Florida Statutes.

20 Section 11. Except as otherwise expressly provided in
21 this act, this act shall take effect July 1, 2007.

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

25 And the title is amended as follows:

26 Delete everything before the enacting clause

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28 and insert:

29 A bill to be entitled

30 An act relating to insurance representatives;

31 amending s. 626.221, F.S.; providing an

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1 exemption from the required written examination
2 to certain applicants for licensure as a claims
3 adjuster; amending s. 626.7851, F.S.;

4 authorizing certain programs to offer
5 correspondence courses to applicants for
6 licensure as a life insurance agent; amending
7 s. 626.8311, F.S.; authorizing certain programs
8 to offer correspondence courses to applicants
9 for licensure as a health insurance agent;
10 amending s. 626.747, F.S.; authorizing certain
11 licensed agents to be the agent in charge of
12 branch locations under certain circumstances;
13 amending s. 626.865, F.S.; requiring public
14 adjusters to maintain their surety bond
15 unimpaired for a certain period; amending s.
16 626.869, F.S.; authorizing an extension of time
17 to complete continuing education requirements
18 for public adjusters; amending s. 626.8698,
19 F.S.; designating the Department of Financial
20 Services as the appropriate agency responsible
21 for disciplinary action against public
22 adjusters; amending s. 626.921, F.S.; providing
23 that the department is responsible for approval
24 of the surplus lines agent manual; amending s.
25 626.9611, F.S.; requiring that the department
26 adopt rules prohibiting the use of unfair and
27 deceptive practices in the sale of insurance to
28 members of the United States Armed Forces;
29 providing limitations; providing an
30 appropriation; providing effective dates.

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