



1 providing limitations; providing an  
2 appropriation; providing effective dates.

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

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6 Section 1. Paragraph (k) of subsection (2) of section  
7 626.221, Florida Statutes, is amended to read:

8 626.221 Examination requirement; exemptions.--

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

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

25 Section 2. Section 626.7851, Florida Statutes, is  
26 amended to read:

27 626.7851 Requirement as to knowledge, experience, or  
28 instruction.--No applicant for a license as a life agent,  
29 except for a chartered life underwriter (CLU), shall be  
30 qualified or licensed unless within the 4 years immediately  
31

1 preceding the date the application for a license is filed with  
2 the department he or she has:

3 (1) Successfully completed 40 hours of classroom  
4 courses in insurance, 3 hours of which shall be on the subject  
5 matter of ethics, satisfactory to the department at a school  
6 or college, or extension division thereof, or other authorized  
7 course of study, approved by the department. Courses must  
8 include instruction on the subject matter of unauthorized  
9 entities engaging in the business of insurance, to include the  
10 Florida Nonprofit Multiple-Employer Welfare Arrangement Act  
11 and the Employee Retirement Income Security Act, 29 U.S.C. ss.  
12 1001 et seq., as it relates to the provision of life insurance  
13 by employers to their employees and the regulation thereof;

14 (2) Successfully completed a correspondence course in  
15 insurance, 3 hours of which shall be on the subject matter of  
16 ethics, satisfactory to the department and regularly offered  
17 by accredited institutions of higher learning in this state or  
18 by independent programs of study, approved by the department.  
19 Courses must include instruction on the subject matter of  
20 unauthorized entities engaging in the business of insurance,  
21 to include the Florida Nonprofit Multiple-Employer Welfare  
22 Arrangement Act and the Employee Retirement Income Security  
23 Act, 29 U.S.C. ss. 1001 et seq., as it relates to the  
24 provision of life insurance by employers to their employees  
25 and the regulation thereof;

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

30 (4) Been employed by the department or office for at  
31 least 1 year, full time in life or life and health insurance

1 regulatory matters and who was not terminated for cause, and  
2 application for examination is made within 90 days after the  
3 date of termination of his or her employment with the  
4 department or office.

5 Section 3. Section 626.8311, Florida Statutes, is  
6 amended to read:

7 626.8311 Requirement as to knowledge, experience, or  
8 instruction.--No applicant for a license as a health agent,  
9 except for a chartered life underwriter (CLU), shall be  
10 qualified or licensed unless within the 4 years immediately  
11 preceding the date the application for license is filed with  
12 the department he or she has:

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

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 health insurance by employers to their employees  
5 and the regulation thereof;

6 (3) Held an active license in health, 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 health insurance regulatory matters  
12 and who was not terminated for cause, and application for  
13 examination is made within 90 days after the date of  
14 termination of his or her employment with the department or  
15 office.

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

18 626.747 Branch agencies.--

19 (1)(a) Each branch place of business established by an  
20 agent or agency, firm, corporation, or association shall be in  
21 the active full-time charge of a licensed general lines agent  
22 or life or health agent who is appointed to represent one or  
23 more insurers. Any agent or agency, firm, corporation, or  
24 association which has established one or more branch places of  
25 business shall be required to have at least one licensed  
26 general lines agent who is appointed to represent one or more  
27 insurers at each location of the agency including its  
28 headquarters location.

29 (b) Notwithstanding paragraph (a), the licensed agent  
30 in charge of an insurance agency may also be the agent in  
31 charge of additional branch office locations of the agency if

1 insurance activities requiring licensure as an insurance agent  
2 do not occur at any location when the agent is not physically  
3 present and unlicensed employees at the location do not engage  
4 in any insurance activities requiring licensure as an  
5 insurance agent or customer service representative.

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

8 626.865 Public adjuster's qualifications, bond.--

9 (2) At the time of application for license as a public  
10 adjuster, the applicant shall file with the department a bond  
11 executed and issued by a surety insurer authorized to transact  
12 such business in this state, in the amount of \$50,000,  
13 conditioned for the faithful performance of his or her duties  
14 as a public adjuster under the license for which the applicant  
15 has applied, and thereafter maintain the bond unimpaired  
16 throughout the existence of the license and for at least 1  
17 year after termination of the license ~~for~~. The bond shall be  
18 in favor of the department and shall specifically authorize  
19 recovery by the department of the damages sustained in case  
20 the licensee is guilty of fraud or unfair practices in  
21 connection with his or her business as public adjuster. The  
22 aggregate liability of the surety for all such damages shall  
23 in no event exceed the amount of the bond. Such bond shall  
24 not be terminated unless at least 30 days' written notice is  
25 given to the licensee and filed with the department.

26 Section 6. Paragraph (c) of subsection (4) of section  
27 626.869, Florida Statutes, is amended to read:

28 626.869 License, adjusters.--

29 (4)

30 (c) The department shall adopt rules necessary to  
31 implement and administer the continuing education requirements

1 of this subsection. For good cause shown, the department may  
2 grant an extension of time during which the requirements  
3 imposed by this section may be completed, but such extension  
4 of time may not exceed 1 year.

5 Section 7. Section 626.8698, Florida Statutes, is  
6 amended to read:

7 626.8698 Disciplinary guidelines for public  
8 adjusters.--The department may deny, suspend, or revoke the  
9 license of a public adjuster, and administer a fine not to  
10 exceed \$5,000 per act, for any of the following:

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

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

15 (3) Receiving or accepting any fee, kickback, or other  
16 thing of value pursuant to any agreement or understanding,  
17 oral or otherwise; entering into a split-fee arrangement with  
18 another person who is not a public adjuster; or being  
19 otherwise paid or accepting payment for services that have not  
20 been performed;

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

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

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

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

28 626.921 Florida Surplus Lines Service Office.--

29 (5)(a) The association shall submit to the office a  
30 plan of operation, and any amendments thereto, to provide  
31 operating procedures for the administration of the service

1 office. The plan of operation and any amendments thereto shall  
2 become effective upon approval by order of the office. The  
3 association shall submit to the department an agents' manual,  
4 and any amendments thereto, which shall provide administrative  
5 procedures that surplus lines insurance agents must follow  
6 with respect to their duties to the service office. The manual  
7 shall be prepared in cooperation with the department, and any  
8 changes, updates, or amendments shall be submitted to the  
9 department before distribution. The manual shall be approved  
10 by order of the department.

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

13 Section 9. Section 626.9611, Florida Statutes, is  
14 amended to read:

15 626.9611 Rules.--

16 (1) The department or commission may, in accordance  
17 with chapter 120, adopt reasonable rules as are necessary or  
18 proper to identify specific methods of competition or acts or  
19 practices which are prohibited by s. 626.9541 or s. 626.9551,  
20 but the rules shall not enlarge upon or extend the provisions  
21 of ss. 626.9541 and 626.9551.

22 (2) The department and the commission shall, in  
23 accordance with chapter 120, adopt rules to protect members of  
24 the United States Armed Forces from dishonest or predatory  
25 insurance sales practices by insurers and insurance agents.  
26 The rules shall identify specific false, misleading,  
27 deceptive, or unfair methods of competition, acts, or  
28 practices which are prohibited by s. 626.9541 or s. 626.9551.  
29 The rules shall be based upon model rules or model laws  
30 adopted by the National Association of Insurance Commissioners  
31 which identify certain insurance practices involving the



1 solicitation or sale of insurance and annuities to members of  
2 the United States Armed Forces which are false, misleading,  
3 deceptive, or unfair.

4       Section 10. For the 2007-2008 fiscal year, the sum of  
5 \$132,000 in nonrecurring funds is appropriated from the  
6 Insurance Regulatory Trust Fund to the Department of Financial  
7 Services for computer system changes necessary to implement  
8 the provisions of s. 626.747, Florida Statutes.

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

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STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
COMMITTEE SUBSTITUTE FOR  
Senate Bill 2702

The committee substitute provides the following changes:

1. Allows an insurance agent to be in charge of more than one agency location.
2. Requires the Department of Financial Services (DFS) and the Financial Services Commission to adopt rules to protect service members of the United States Armed Forces from dishonest and predatory insurance sales practices by insurers and insurance agents.
3. Allows correspondence courses to be approved by the DFS for satisfying the pre-licensing education requirements for obtaining a life or health insurance agent license.
4. Specifies that the surety bond required for a public adjuster must be maintained continuously and until one year after termination of the license.
5. Provides that the current exemptions from taking the examination for an adjuster's license for persons who complete certain educational programs apply to persons who are applying for an independent adjuster or company employee adjuster license (and, therefore, do not apply to applicants for a public adjuster licensee).
6. Allows the DFS to extend the deadline for up to one year for an insurance adjuster to meet continuing education requirements, for good cause.
7. Clarifies that the agent manual of the Florida Surplus Lines Service Office must be approved by the DFS.
8. Provides an appropriation of \$132,000 to the DFS from the Insurance Regulatory Trust fund to make necessary computer system changes to comply with the bill's provisions.