

## ENROLLED

CS/HB 411, Engrossed 1

2007 Legislature

1 A bill to be entitled

2 An act relating to limited insurance licenses; amending s.  
3 624.501, F.S.; specifying fees for limited appointments as  
4 motor vehicle rental insurance agents; amending s.  
5 626.321, F.S.; revising provisions relating to limited  
6 licenses to transact personal accident insurance to apply  
7 to travel insurance; providing criteria and requirements;  
8 specifying authorized entities; specifying applicable  
9 coverage; providing limitations; providing entity training  
10 requirements; revising provisions relating to limited  
11 licenses to transact baggage and motor vehicle excess  
12 liability insurance to apply to motor vehicle rental  
13 insurance; providing criteria and requirements; specifying  
14 authorized entities; specifying applicable coverage;  
15 providing limitations; providing application requirements;  
16 providing responsibilities of licensees; limiting sales of  
17 certain insurance policies or certificates for limited  
18 classes of business to certain insurers; providing an  
19 effective date.

20  
21 Be It Enacted by the Legislature of the State of Florida:

22  
23 Section 1. Subsection (9) of section 624.501, Florida  
24 Statutes, is amended to read:

25 624.501 Filing, license, appointment, and miscellaneous  
26 fees.--The department, commission, or office, as appropriate,  
27 shall collect in advance, and persons so served shall pay to it

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28 | in advance, fees, licenses, and miscellaneous charges as  
 29 | follows:

30 |       (9) (a) Except as provided in paragraph (b), all limited  
 31 | appointments as agent, as provided for in s. 626.321. Agent's  
 32 | original appointment and biennial renewal or continuation  
 33 | thereof, each insurer:

34 |           Appointment fee....\$42.00  
 35 |           State tax....12.00  
 36 |           County tax....6.00  
 37 | Total....\$60.00

38 |       (b) For all limited appointments as agent, as provided for  
 39 | in s. 626.321(1)(d), the agent's original appointment and  
 40 | biennial renewal or continuation thereof for each insurer shall  
 41 | be equal to the number of offices, branch offices, or places of  
 42 | business covered by the license multiplied by the fees set forth  
 43 | in paragraph (a).

44 |       Section 2. Paragraphs (c) and (d) of subsection (1) of  
 45 | section 626.321, Florida Statutes, are amended, and subsection  
 46 | (5) is added to that section, to read:

47 |       626.321 Limited licenses.--

48 |       (1) The department shall issue to a qualified individual,  
 49 | or a qualified individual or entity under paragraphs (c), (d),  
 50 | (e), and (i), a license as agent authorized to transact a  
 51 | limited class of business in any of the following categories:

52 |       (c) Travel ~~Personal accident~~ insurance.--License covering  
 53 | only policies and certificates of travel ~~personal accident~~  
 54 | insurance, which are subject to review by the office under s.  
 55 | 624.605(1)(q). Policies and certificates of travel insurance may

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56 provide coverage for risks incidental to travel, planned travel,  
 57 or accommodations while traveling, including, but not limited  
 58 to, accidental death and dismemberment of a traveler; trip  
 59 cancellation, interruption, or delay; loss of or damage to  
 60 personal effects or travel documents; baggage delay; emergency  
 61 medical travel or evacuation of a traveler; or medical,  
 62 surgical, and hospital expenses related to an illness or  
 63 emergency of a traveler. Any such policy or certificate may be  
 64 issued for terms longer than 60 days, but each policy or  
 65 certificate, other than a policy or certificate providing  
 66 coverage for air ambulatory services only, must be limited to  
 67 coverage for travel or use of accommodations of no longer than  
 68 60 days covering the risks of travel, except as provided in  
 69 ~~subparagraph 2.~~ The license may be issued only:

70 1. To a full-time salaried employee of a common carrier or  
 71 a full-time salaried employee or owner of a transportation  
 72 ticket agency and may authorize the sale of such ticket policies  
 73 only in connection with the sale of transportation tickets, or  
 74 to the full-time salaried employee of such an agent. No such  
 75 policy shall be for a duration of more than 48 hours or for the  
 76 duration of a specified one-way trip or round trip.

77 2. To an entity or individual that is:

78 a. The developer of a timeshare plan that is the subject  
 79 of an approved public offering statement under chapter 721;

80 b. An exchange company operating an exchange program  
 81 approved under chapter 721;

82 c. A managing entity operating a timeshare plan approved  
 83 under chapter 721;

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- 84 d. A seller of travel as defined in chapter 559; or
- 85 e. A subsidiary or affiliate of any of the entities
- 86 described in sub-subparagraphs a.-d.

87

88 A licensee shall require each employee who offers policies or  
 89 certificates under this subparagraph to receive initial training  
 90 from a general lines agent or an insurer authorized under  
 91 chapter 624 to transact insurance within this state. For an  
 92 entity applying for a license as a travel insurance agent, the  
 93 fingerprinting requirement of this section applies only to the  
 94 president, secretary, and treasurer and to any other officer or  
 95 person who directs or controls the travel insurance operations  
 96 of the entity. ~~To a full-time salaried employee of a business~~  
 97 ~~which offers motor vehicles for rent or lease, or to a business~~  
 98 ~~entity which offers motor vehicles for rent or lease. A business~~  
 99 ~~office licensed or a person licensed pursuant to this~~  
 100 ~~subparagraph may, as an agent of an insurer, transact insurance~~  
 101 ~~that provides coverage for accidental personal injury or death~~  
 102 ~~of the lessee and any passenger who is riding or driving with~~  
 103 ~~the covered lessee in the rental motor vehicle if the lease or~~  
 104 ~~rental agreement is for not more than 30 days, or if the lessee~~  
 105 ~~is not provided coverage for more than 30 consecutive days per~~  
 106 ~~lease period; however, if the lease is extended beyond 30 days,~~  
 107 ~~the coverage may be extended one time only for a period not to~~  
 108 ~~exceed an additional 30 days.~~

109 (d) ~~Baggage and Motor vehicle rental excess liability~~  
 110 ~~insurance.--~~

111 1. License covering only insurance of the risks set forth

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112 in this paragraph when offered, sold, or solicited with and  
 113 incidental to the rental or lease of a motor vehicle and which  
 114 applies only to the motor vehicle that is the subject of the  
 115 lease or rental agreement and occupants of the motor vehicle:  
 116 a. Excess motor vehicle liability insurance providing  
 117 coverage in excess of the standard liability limits provided by  
 118 the lessor in the lessor's lease to a person renting or leasing  
 119 a motor vehicle from the licensee's employer for liability  
 120 arising in connection with the negligent operation of the leased  
 121 or rented motor vehicle.  
 122 b. Insurance covering the liability of the lessee to the  
 123 lessor for damage to the leased or rented motor vehicle.  
 124 c. Insurance covering the loss of or damage to baggage,  
 125 personal effects, or travel documents of a person renting or  
 126 leasing a motor vehicle.  
 127 d. Insurance covering accidental personal injury or death  
 128 of the lessee and any passenger who is riding or driving with  
 129 the covered lessee in the leased or rented motor vehicle.  
 130 2. Insurance under a motor vehicle rental insurance  
 131 license may be issued only if the lease or rental agreement is  
 132 for no more than 60 days, the lessee is not provided coverage  
 133 for more than 60 consecutive days per lease period, and the  
 134 lessee is given written notice that his or her personal  
 135 insurance policy providing coverage on an owned motor vehicle  
 136 may provide coverage of such risks and that the purchase of the  
 137 insurance is not required in connection with the lease or rental  
 138 of a motor vehicle. If the lease is extended beyond 60 days, the  
 139 coverage may be extended one time only for a period not to

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140 exceed an additional 60 days. Insurance may be provided to the  
 141 lessee as an additional insured on a policy issued to the  
 142 licensee's employer ~~personal effects except as provided in~~  
 143 ~~subparagraph 2.~~

144 3. The license may be issued only:

145 ~~a. To a full-time salaried employee of a common carrier or~~  
 146 ~~a full-time salaried employee or owner of a transportation~~  
 147 ~~ticket agency, which person is engaged in the sale or handling~~  
 148 ~~of transportation of baggage and personal effects of travelers,~~  
 149 ~~and may authorize the sale of such insurance only in connection~~  
 150 ~~with such transportation; or~~

151 ~~b.~~ to the full-time salaried employee of a licensed  
 152 general lines agent or to a business entity that offers motor  
 153 vehicles for rent or lease if insurance sales activities  
 154 authorized by the license are in connection with and incidental  
 155 to the rental or lease of a motor vehicle.

156 a. A license issued to a business entity that offers motor  
 157 vehicles for rent or lease shall encompass each office, branch  
 158 office, or place of business making use of the entity's business  
 159 name in order to offer, solicit, and sell insurance pursuant to  
 160 this paragraph.

161 b. The application for licensure must list the name,  
 162 address, and phone number for each office, branch office, or  
 163 place of business that is to be covered by the license. The  
 164 licensee shall notify the department of the name, address, and  
 165 phone number of any new location that is to be covered by the  
 166 license before the new office, branch office, or place of  
 167 business engages in the sale of insurance pursuant to this

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168 paragraph. The licensee shall notify the department within 30  
 169 days after closing or terminating an office, branch office, or  
 170 place of business. Upon receipt of the notice, the department  
 171 shall delete the office, branch office, or place of business  
 172 from the license. An entity applying for a license under this  
 173 sub-subparagraph:

174 ~~(I) Is required to submit only one application for a~~  
 175 ~~license under s. 626.171. The requirements of s. 626.171(4)~~  
 176 ~~shall apply only to the officers and directors of the entity~~  
 177 ~~submitting the application.~~

178 ~~(II) Is required to obtain a license for each office,~~  
 179 ~~branch office, or place of business making use of the entity's~~  
 180 ~~business name by applying to the department for the license on a~~  
 181 ~~simplified application form developed by rule of the department~~  
 182 ~~for this purpose.~~

183 ~~(III) Is required to pay the applicable fees for a license~~  
 184 ~~as prescribed in s. 624.501, be appointed under s. 626.112, and~~  
 185 ~~pay the prescribed appointment fee under s. 624.501.~~

186 c. A licensed and appointed entity is ~~shall be~~ directly  
 187 responsible and accountable for all acts of the licensee's  
 188 employees.

189  
 190 ~~The purchaser of baggage insurance shall be provided written~~  
 191 ~~information disclosing that the insured's homeowner's policy may~~  
 192 ~~provide coverage for loss of personal effects and that the~~  
 193 ~~purchase of such insurance is not required in connection with~~  
 194 ~~the purchase of tickets or in connection with the lease or~~  
 195 ~~rental of a motor vehicle.~~

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196           ~~2. A business entity that offers motor vehicles for rent~~  
197 ~~or lease, may include lessees under a master contract providing~~  
198 ~~coverage to the lessor or may transact excess motor vehicle~~  
199 ~~liability insurance providing coverage in excess of the standard~~  
200 ~~liability limits provided by the lessor in its lease to a person~~  
201 ~~renting or leasing a motor vehicle from the licensee's employer~~  
202 ~~for liability arising in connection with the negligent operation~~  
203 ~~of the leased or rented motor vehicle, provided that the lease~~  
204 ~~or rental agreement is for not more than 30 days; that the~~  
205 ~~lessee is not provided coverage for more than 30 consecutive~~  
206 ~~days per lease period, and, if the lease is extended beyond 30~~  
207 ~~days, the coverage may be extended one time only for a period~~  
208 ~~not to exceed an additional 30 days; that the lessee is given~~  
209 ~~written notice that his or her personal insurance policy~~  
210 ~~providing coverage on an owned motor vehicle may provide~~  
211 ~~additional excess coverage; and that the purchase of the~~  
212 ~~insurance is not required in connection with the lease or rental~~  
213 ~~of a motor vehicle. The excess liability insurance may be~~  
214 ~~provided to the lessee as an additional insured on a policy~~  
215 ~~issued to the licensee's employer.~~

216           ~~3. A business entity that offers motor vehicles for rent~~  
217 ~~or lease, may, as an agent of an insurer, transact insurance~~  
218 ~~that provides coverage for the liability of the lessee to the~~  
219 ~~lessor for damage to the leased or rented motor vehicle if:~~

220           ~~a. The lease or rental agreement is for not more than 30~~  
221 ~~days; or the lessee is not provided coverage for more than 30~~  
222 ~~consecutive days per lease period, but, if the lease is extended~~  
223 ~~beyond 30 days, the coverage may be extended one time only for a~~



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224 ~~period not to exceed an additional 30 days;~~

225 ~~b. The lessee is given written notice that his or her~~  
 226 ~~personal insurance policy that provides coverage on an owned~~  
 227 ~~motor vehicle may provide such coverage with or without a~~  
 228 ~~deductible; and~~

229 ~~e. The purchase of the insurance is not required in~~  
 230 ~~connection with the lease or rental of a motor vehicle.~~

231 (5) Nothing in this section shall permit the sale of an  
 232 insurance policy or certificate for any limited class of  
 233 business in a category identified under subsection (1) by a  
 234 person or entity other than an insurance policy or certificate  
 235 offered by an authorized insurer in this state or an eligible  
 236 surplus lines insurer in this state.

237 Section 3. This act shall take effect January 1, 2008.