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LEGISLATIVE ACTION

Senate	.	House
Comm: RS	.	
04/02/2013	.	
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The Committee on Banking and Insurance (Hays) recommended the following:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause and insert:

Section 1. Paragraph (b) of subsection (6) of section 215.555, Florida Statutes, is amended to read:

215.555 Florida Hurricane Catastrophe Fund.—

(6) REVENUE BONDS.—

(b) *Emergency assessments*.—

1. If the board determines that the amount of revenue produced under subsection (5) is insufficient to fund the obligations, costs, and expenses of the fund and the



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13 corporation, including repayment of revenue bonds and that  
14 portion of the debt service coverage not met by reimbursement  
15 premiums, the board shall direct the Office of Insurance  
16 Regulation to levy, by order, an emergency assessment on direct  
17 premiums for all property and casualty lines of business in this  
18 state, including property and casualty business of surplus lines  
19 insurers regulated under part VIII of chapter 626, but not  
20 including any workers' compensation premiums or medical  
21 malpractice premiums. As used in this subsection, the term  
22 "property and casualty business" includes all lines of business  
23 identified on Form 2, Exhibit of Premiums and Losses, in the  
24 annual statement required of authorized insurers by s. 624.424  
25 and any rule adopted under this section, except for those lines  
26 identified as accident and health insurance and except for  
27 policies written under the National Flood Insurance Program. The  
28 assessment shall be specified as a percentage of direct written  
29 premium and is subject to annual adjustments by the board in  
30 order to meet debt obligations. The same percentage shall apply  
31 to all policies in lines of business subject to the assessment  
32 issued or renewed during the 12-month period beginning on the  
33 effective date of the assessment.

34 2. A premium is not subject to an annual assessment under  
35 this paragraph in excess of 6 percent of premium with respect to  
36 obligations arising out of losses attributable to any one  
37 contract year, and a premium is not subject to an aggregate  
38 annual assessment under this paragraph in excess of 10 percent  
39 of premium. An annual assessment under this paragraph shall  
40 continue as long as the revenue bonds issued with respect to  
41 which the assessment was imposed are outstanding, including any



42 bonds the proceeds of which were used to refund the revenue  
43 bonds, unless adequate provision has been made for the payment  
44 of the bonds under the documents authorizing issuance of the  
45 bonds.

46 3. Emergency assessments shall be collected from  
47 policyholders. Emergency assessments shall be remitted by  
48 insurers as a percentage of direct written premium for the  
49 preceding calendar quarter as specified in the order from the  
50 Office of Insurance Regulation. The office shall verify the  
51 accurate and timely collection and remittance of emergency  
52 assessments and shall report the information to the board in a  
53 form and at a time specified by the board. Each insurer  
54 collecting assessments shall provide the information with  
55 respect to premiums and collections as may be required by the  
56 office to enable the office to monitor and verify compliance  
57 with this paragraph.

58 4. With respect to assessments of surplus lines premiums,  
59 each surplus lines agent shall collect the assessment at the  
60 same time as the agent collects the surplus lines tax required  
61 by s. 626.932, and the surplus lines agent shall remit the  
62 assessment to the Florida Surplus Lines Service Office created  
63 by s. 626.921 at the same time as the agent remits the surplus  
64 lines tax to the Florida Surplus Lines Service Office. The  
65 emergency assessment on each insured procuring coverage and  
66 filing under s. 626.938 shall be remitted by the insured to the  
67 Florida Surplus Lines Service Office at the time the insured  
68 pays the surplus lines tax to the Florida Surplus Lines Service  
69 Office. The Florida Surplus Lines Service Office shall remit the  
70 collected assessments to the fund or corporation as provided in



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71 the order levied by the Office of Insurance Regulation. The  
72 Florida Surplus Lines Service Office shall verify the proper  
73 application of such emergency assessments and shall assist the  
74 board in ensuring the accurate and timely collection and  
75 remittance of assessments as required by the board. The Florida  
76 Surplus Lines Service Office shall annually calculate the  
77 aggregate written premium on property and casualty business,  
78 other than workers' compensation and medical malpractice,  
79 procured through surplus lines agents and insureds procuring  
80 coverage and filing under s. 626.938 and shall report the  
81 information to the board in a form and at a time specified by  
82 the board.

83 5. Any assessment authority not used for a particular  
84 contract year may be used for a subsequent contract year. If,  
85 for a subsequent contract year, the board determines that the  
86 amount of revenue produced under subsection (5) is insufficient  
87 to fund the obligations, costs, and expenses of the fund and the  
88 corporation, including repayment of revenue bonds and that  
89 portion of the debt service coverage not met by reimbursement  
90 premiums, the board shall direct the Office of Insurance  
91 Regulation to levy an emergency assessment up to an amount not  
92 exceeding the amount of unused assessment authority from a  
93 previous contract year or years, plus an additional 4 percent  
94 provided that the assessments in the aggregate do not exceed the  
95 limits specified in subparagraph 2.

96 6. The assessments otherwise payable to the corporation  
97 under this paragraph shall be paid to the fund unless and until  
98 the Office of Insurance Regulation and the Florida Surplus Lines  
99 Service Office have received from the corporation and the fund a



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100 notice, which shall be conclusive and upon which they may rely  
101 without further inquiry, that the corporation has issued bonds  
102 and the fund has no agreements in effect with local governments  
103 under paragraph (c). On or after the date of the notice and  
104 until the date the corporation has no bonds outstanding, the  
105 fund shall have no right, title, or interest in or to the  
106 assessments, except as provided in the fund's agreement with the  
107 corporation.

108       7. Emergency assessments are not premium and are not  
109 subject to the premium tax, to the surplus lines tax, to any  
110 fees, or to any commissions. An insurer is liable for all  
111 assessments that it collects and must treat the failure of an  
112 insured to pay an assessment as a failure to pay the premium. An  
113 insurer is not liable for uncollectible assessments.

114       8. When an insurer is required to return an unearned  
115 premium, it shall also return any collected assessment  
116 attributable to the unearned premium. A credit adjustment to the  
117 collected assessment may be made by the insurer with regard to  
118 future remittances that are payable to the fund or corporation,  
119 but the insurer is not entitled to a refund.

120       9. When a surplus lines insured or an insured who has  
121 procured coverage and filed under s. 626.938 is entitled to the  
122 return of an unearned premium, the Florida Surplus Lines Service  
123 Office shall provide a credit or refund to the agent or such  
124 insured for the collected assessment attributable to the  
125 unearned premium before ~~prior to~~ remitting the emergency  
126 assessment collected to the fund or corporation.

127       ~~10. The exemption of medical malpractice insurance premiums~~  
128 ~~from emergency assessments under this paragraph is repealed May~~



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129 ~~31, 2013, and medical malpractice insurance premiums shall be~~  
130 ~~subject to emergency assessments attributable to loss events~~  
131 ~~occurring in the contract years commencing on June 1, 2013.~~

132 Section 2. Subsection (1) of section 316.646, Florida  
133 Statutes, is amended, and subsection (5) is added to that  
134 section, to read:

135 316.646 Security required; proof of security and display  
136 thereof; dismissal of cases.—

137 (1) Any person required by s. 324.022 to maintain property  
138 damage liability security, required by s. 324.023 to maintain  
139 liability security for bodily injury or death, or required by s.  
140 627.733 to maintain personal injury protection security on a  
141 motor vehicle shall have in his or her immediate possession at  
142 all times while operating such motor vehicle proper proof of  
143 maintenance of the required security. Such proof shall be a  
144 uniform proof-of-insurance card, in paper or electronic format,  
145 in a form prescribed by the department, a valid insurance  
146 policy, an insurance policy binder, a certificate of insurance,  
147 or such other proof as may be prescribed by the department. If a  
148 person presents an electronic device to a law enforcement  
149 officer for the purpose of displaying a proof-of-insurance card  
150 in an electronic format:

151 (a) The person presenting the device is not deemed to  
152 consent to access to any information on the electronic device  
153 other than the displayed proof-of-insurance card.

154 (b) The law enforcement officer is not liable for any  
155 damage to the electronic device.

156 (5) The department may adopt rules to implement this  
157 section.



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158 Section 3. Paragraph (a) of subsection (5) of section  
159 320.02, Florida Statutes, is amended to read:

160 320.02 Registration required; application for registration;  
161 forms.—

162 (5) (a) Proof that personal injury protection benefits have  
163 been purchased when required under s. 627.733, that property  
164 damage liability coverage has been purchased as required under  
165 s. 324.022, that bodily injury or death coverage has been  
166 purchased if required under s. 324.023, and that combined bodily  
167 liability insurance and property damage liability insurance have  
168 been purchased when required under s. 627.7415 shall be provided  
169 in the manner prescribed by law by the applicant at the time of  
170 application for registration of any motor vehicle that is  
171 subject to such requirements. The issuing agent shall refuse to  
172 issue registration if such proof of purchase is not provided.  
173 Insurers shall furnish uniform proof-of-purchase cards, in paper  
174 or electronic format, in a form prescribed by the department and  
175 shall include the name of the insured's insurance company, the  
176 coverage identification number, and the make, year, and vehicle  
177 identification number of the vehicle insured. The card shall  
178 contain a statement notifying the applicant of the penalty  
179 specified in s. 316.646(4). The card or insurance policy,  
180 insurance policy binder, or certificate of insurance or a  
181 photocopy of any of these; an affidavit containing the name of  
182 the insured's insurance company, the insured's policy number,  
183 and the make and year of the vehicle insured; or such other  
184 proof as may be prescribed by the department shall constitute  
185 sufficient proof of purchase. If an affidavit is provided as  
186 proof, it shall be in substantially the following form:



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187  
188 Under penalty of perjury, I ...(Name of insured)... do hereby  
189 certify that I have ...(Personal Injury Protection, Property  
190 Damage Liability, and, when required, Bodily Injury  
191 Liability)... Insurance currently in effect with ...(Name of  
192 insurance company)... under ...(policy number)... covering  
193 ...(make, year, and vehicle identification number of  
194 vehicle).... ...(Signature of Insured)...

195  
196 Such affidavit shall include the following warning:

197  
198 WARNING: GIVING FALSE INFORMATION IN ORDER TO OBTAIN A VEHICLE  
199 REGISTRATION CERTIFICATE IS A CRIMINAL OFFENSE UNDER FLORIDA  
200 LAW. ANYONE GIVING FALSE INFORMATION ON THIS AFFIDAVIT IS  
201 SUBJECT TO PROSECUTION.

202  
203 When an application is made through a licensed motor vehicle  
204 dealer as required in s. 319.23, the original or a photostatic  
205 copy of such card, insurance policy, insurance policy binder, or  
206 certificate of insurance or the original affidavit from the  
207 insured shall be forwarded by the dealer to the tax collector of  
208 the county or the Department of Highway Safety and Motor  
209 Vehicles for processing. By executing the aforesaid affidavit,  
210 no licensed motor vehicle dealer will be liable in damages for  
211 any inadequacy, insufficiency, or falsification of any statement  
212 contained therein. A card shall also indicate the existence of  
213 any bodily injury liability insurance voluntarily purchased.

214 Section 4. Subsection (8) is added to section 554.1021,  
215 Florida Statutes, to read:





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216 554.1021 Definitions.—As used in ss. 554.1011-554.115:

217 (8) "Authorized inspection agency" means:

218 (a) Any county, city, town, or other governmental  
219 subdivision that has adopted and administers, at a minimum,  
220 Section I of the A.S.M.E. Boiler and Pressure Vessel Code as a  
221 legal requirement and whose inspectors hold valid certificates  
222 of competency in accordance with s. 554.113; or

223 (b) Any insurance company that is licensed or registered by  
224 an appropriate authority of any state of the United States or  
225 province of Canada and whose inspectors hold valid certificates  
226 of competency in accordance with s. 554.113.

227 Section 5. Section 554.107, Florida Statutes, is amended to  
228 read:

229 554.107 Special inspectors.—

230 (1) Upon application by any authorized inspection agency  
231 ~~company licensed to insure boilers in this state~~, the chief  
232 inspector shall issue a certificate of competency as a special  
233 inspector to any inspector employed by the authorized inspection  
234 agency ~~company~~, provided that such inspector satisfies the  
235 competency requirements for inspectors as provided in s.  
236 554.113.

237 (2) The certificate of competency of a special inspector  
238 shall remain in effect only so long as the special inspector is  
239 employed by an authorized inspection agency ~~a company licensed~~  
240 ~~to insure boilers in this state~~. Upon termination of employment  
241 with such agency ~~company~~, a special inspector shall, in writing,  
242 notify the chief inspector of such termination. Such notice  
243 shall be given within 15 days following the date of termination.

244 Section 6. Subsection (1) of section 554.109, Florida



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245 Statutes, is amended to read:

246 554.109 Exemptions.—

247 (1) Any insurance company insuring a boiler located in a  
248 public assembly location in this state shall inspect or contract  
249 with an authorized inspection agency to inspect such boiler ~~se~~  
250 ~~insured~~, and shall annually report to the department the  
251 identity of any authorized inspection agency performing any  
252 required boiler inspection on behalf of the company. A any  
253 county, city, town, or other governmental subdivision that ~~which~~  
254 has adopted into law the Boiler and Pressure Vessel Code of the  
255 American Society of Mechanical Engineers and the National Board  
256 Inspection Code for the construction, installation, inspection,  
257 maintenance, and repair of boilers, regulating such boilers in  
258 public assembly locations, shall inspect such boilers so  
259 regulated; provided that such inspection shall be conducted by a  
260 special inspector licensed pursuant to ss. 554.1011-554.115.  
261 Upon filing of a report of satisfactory inspection with the  
262 department, such boiler is exempt from inspection by the  
263 department.

264 Section 7. Paragraph (f) of subsection (1) of section  
265 624.413, Florida Statutes, is amended to read:

266 624.413 Application for certificate of authority.—

267 (1) To apply for a certificate of authority, an insurer  
268 shall file its application therefor with the office, upon a form  
269 adopted by the commission and furnished by the office, showing  
270 its name; location of its home office and, if an alien insurer,  
271 its principal office in the United States; kinds of insurance to  
272 be transacted; state or country of domicile; and such additional  
273 information as the commission reasonably requires, together with



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274 the following documents:

275 (f) If a foreign or alien insurer, a copy of the report of  
276 the most recent examination of the insurer certified by the  
277 public official having supervision of insurance in its state of  
278 domicile or of entry into the United States. The end of the most  
279 recent year covered by the examination must be within the 5-year  
280 ~~3-year~~ period preceding the date of application. In lieu of the  
281 certified examination report, the office may accept an audited  
282 certified public accountant's report prepared on a basis  
283 consistent with the insurance laws of the insurer's state of  
284 domicile, certified by the public official having supervision of  
285 insurance in its state of domicile or of entry into the United  
286 States.

287 Section 8. Subsection (4) is added to section 626.0428,  
288 Florida Statutes, to read:

289 626.0428 Agency personnel powers, duties, and limitations.-

290 (4) (a) Each place of business established by an agent or  
291 agency, firm, corporation, or association shall be in the active  
292 full-time charge of a licensed and appointed agent holding the  
293 required agent licenses to transact the lines of insurance being  
294 handled at the location.

295 (b) Notwithstanding paragraph (a), the licensed agent in  
296 charge of an insurance agency may also be the agent in charge of  
297 additional branch office locations of the agency if insurance  
298 activities requiring licensure as an insurance agent do not  
299 occur at any location when the agent is not physically present  
300 and unlicensed employees at the location do not engage in any  
301 insurance activities requiring licensure as an insurance agent  
302 or customer representative.



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303       (c) An insurance agency and each branch place of business  
304 of an insurance agency shall designate an agent in charge and  
305 file the name and license number of the agent in charge and the  
306 physical address of the insurance agency location with the  
307 department at the department's designated website. The  
308 designation of the agent in charge may be changed at the option  
309 of the agency, and any change shall be effective upon  
310 notification to the department. Notice to the department must be  
311 provided within 30 days after such change.

312       (d) For the purposes of this subsection, an "agent in  
313 charge" is the licensed and appointed agent who is responsible  
314 for the supervision of all individuals within an insurance  
315 agency location, regardless of whether such individuals deal  
316 with the general public in the solicitation or negotiation of  
317 insurance contracts or the collection or accounting of moneys.

318       (e) An agent in charge of an insurance agency is  
319 accountable for any wrongful acts, misconduct, or violations of  
320 provisions of this code committed by the agent or by any person  
321 under his or her supervision while acting on behalf of the  
322 agency. This section may not be construed to render the agent in  
323 charge criminally liable for an act unless he or she personally  
324 committed or knew or should have known of the act and of the  
325 facts constituting a violation of this chapter.

326       (f) An insurance agency location may not conduct the  
327 business of insurance unless the agency designates an agent in  
328 charge at all times. If the agency fails to update the  
329 designation of the agent in charge within 90 days after the date  
330 of a change in designation, the department shall automatically  
331 revoke the agency's license.



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332 Section 9. Subsection (7) of section 626.112, Florida  
333 Statutes, is amended to read:

334 626.112 License and appointment required; agents, customer  
335 representatives, adjusters, insurance agencies, service  
336 representatives, managing general agents.-

337 (7) (a) ~~Effective October 1, 2006,~~ No individual, firm,  
338 partnership, corporation, association, or any other entity shall  
339 act in its own name or under a trade name, directly or  
340 indirectly, as an insurance agency, unless it complies with s.  
341 626.172 with respect to possessing an insurance agency license  
342 for each place of business at which it engages in any activity  
343 which may be performed only by a licensed insurance agent.  
344 However, an insurance agency that is owned and operated by a  
345 single licensed agent conducting business in his or her  
346 individual name and not employing or otherwise using the  
347 services of or appointing other licensees shall be exempt from  
348 the agency licensing requirements of this subsection. A branch  
349 place of business that is established by a licensed agency is  
350 considered a branch agency and is not required to be licensed so  
351 long as it transacts business under the same name and federal  
352 tax identification number as the licensed agency and has  
353 designated a licensed agent in charge of the location as  
354 required by s. 626.0428 and the address and telephone number of  
355 the location have been submitted to the department for inclusion  
356 in the licensing record of the licensed agency within 30 days  
357 after insurance transactions begin at the location ~~Each agency~~  
358 ~~engaged in business in this state before January 1, 2003, which~~  
359 ~~is wholly owned by insurance agents currently licensed and~~  
360 ~~appointed under this chapter, each incorporated agency whose~~



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361 ~~voting shares are traded on a securities exchange, each agency~~  
362 ~~designated and subject to supervision and inspection as a branch~~  
363 ~~office under the rules of the National Association of Securities~~  
364 ~~Dealers, and each agency whose primary function is offering~~  
365 ~~insurance as a service or member benefit to members of a~~  
366 ~~nonprofit corporation may file an application for registration~~  
367 ~~in lieu of licensure in accordance with s. 626.172(3). Each~~  
368 ~~agency engaged in business before October 1, 2006, shall file an~~  
369 ~~application for licensure or registration on or before October~~  
370 ~~1, 2006.~~

371 ~~(b)1.~~ If an agency is required to be licensed but fails to  
372 file an application for licensure in accordance with this  
373 section, the department shall impose on the agency an  
374 administrative penalty in an amount of up to \$10,000.

375 ~~2.~~ If an agency is eligible for registration but fails to  
376 file an application for registration or an application for  
377 licensure in accordance with this section, the department shall  
378 impose on the agency an administrative penalty in an amount of  
379 up to \$5,000.

380 ~~(c)(b)~~ Effective October 1, 2013, the department must  
381 automatically convert the registration of an approved a  
382 registered insurance agency to shall, as a condition precedent  
383 to continuing business, obtain an insurance agency license if  
384 the department finds that, with respect to any majority owner,  
385 partner, manager, director, officer, or other person who manages  
386 or controls the agency, any person has:

387 ~~1.~~ Been found guilty of, or has pleaded guilty or nolo  
388 contendere to, a felony in this state or any other state  
389 relating to the business of insurance or to an insurance agency,



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390 ~~without regard to whether a judgment of conviction has been~~  
391 ~~entered by the court having jurisdiction of the cases.~~

392 ~~2. Employed any individual in a managerial capacity or in a~~  
393 ~~capacity dealing with the public who is under an order of~~  
394 ~~revocation or suspension issued by the department. An insurance~~  
395 ~~agency may request, on forms prescribed by the department,~~  
396 ~~verification of any person's license status. If a request is~~  
397 ~~mailed within 5 working days after an employee is hired, and the~~  
398 ~~employee's license is currently suspended or revoked, the agency~~  
399 ~~shall not be required to obtain a license, if the unlicensed~~  
400 ~~person's employment is immediately terminated.~~

401 ~~3. Operated the agency or permitted the agency to be~~  
402 ~~operated in violation of s. 626.747.~~

403 ~~4. With such frequency as to have made the operation of the~~  
404 ~~agency hazardous to the insurance-buying public or other~~  
405 ~~persons:~~

406 ~~a. Solicited or handled controlled business. This~~  
407 ~~subparagraph shall not prohibit the licensing of any lending or~~  
408 ~~financing institution or creditor, with respect to insurance~~  
409 ~~only, under credit life or disability insurance policies of~~  
410 ~~borrowers from the institutions, which policies are subject to~~  
411 ~~part IX of chapter 627.~~

412 ~~b. Misappropriated, converted, or unlawfully withheld~~  
413 ~~moneys belonging to insurers, insureds, beneficiaries, or others~~  
414 ~~and received in the conduct of business under the license.~~

415 ~~c. Unlawfully rebated, attempted to unlawfully rebate, or~~  
416 ~~unlawfully divided or offered to divide commissions with~~  
417 ~~another.~~

418 ~~d. Misrepresented any insurance policy or annuity contract,~~



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419 ~~or used deception with regard to any policy or contract, done~~  
420 ~~either in person or by any form of dissemination of information~~  
421 ~~or advertising.~~

422 ~~e. Violated any provision of this code or any other law~~  
423 ~~applicable to the business of insurance in the course of dealing~~  
424 ~~under the license.~~

425 ~~f. Violated any lawful order or rule of the department.~~

426 ~~g. Failed or refused, upon demand, to pay over to any~~  
427 ~~insurer he or she represents or has represented any money coming~~  
428 ~~into his or her hands belonging to the insurer.~~

429 ~~h. Violated the provision against twisting as defined in s.~~  
430 ~~626.9541(1)(1).~~

431 ~~i. In the conduct of business, engaged in unfair methods of~~  
432 ~~competition or in unfair or deceptive acts or practices, as~~  
433 ~~prohibited under part IX of this chapter.~~

434 ~~j. Willfully overinsured any property insurance risk.~~

435 ~~k. Engaged in fraudulent or dishonest practices in the~~  
436 ~~conduct of business arising out of activities related to~~  
437 ~~insurance or the insurance agency.~~

438 ~~l. Demonstrated lack of fitness or trustworthiness to~~  
439 ~~engage in the business of insurance arising out of activities~~  
440 ~~related to insurance or the insurance agency.~~

441 ~~m. Authorized or knowingly allowed individuals to transact~~  
442 ~~insurance who were not then licensed as required by this code.~~

443 ~~5. Knowingly employed any person who within the preceding 3~~  
444 ~~years has had his or her relationship with an agency terminated~~  
445 ~~in accordance with paragraph (d).~~

446 ~~6. Willfully circumvented the requirements or prohibitions~~  
447 ~~of this code.~~





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448 Section 10. Subsections (2), (3), and (4) of section  
449 626.172, Florida Statutes, are amended to read:

450 626.172 Application for insurance agency license.—

451 (2) An application for an insurance agency license must  
452 ~~shall~~ be signed by the owner or owners of the agency. If the  
453 agency is incorporated, the application must ~~shall~~ be signed by  
454 the president and secretary of the corporation. The application  
455 for an insurance agency license must ~~shall~~ include:

456 (a) The name of each majority owner, partner, officer, and  
457 director of the insurance agency.

458 (b) The residence address of each person required to be  
459 listed in the application under paragraph (a).

460 (c) The name of the insurance agency, ~~and~~ its principal  
461 business street address and a valid e-mail address of the  
462 insurance agency.

463 (d) The physical address location of each branch agency,  
464 including its name, e-mail address, and telephone number and the  
465 date that the branch location began transacting insurance office  
466 ~~and the name under which each agency office conducts or will~~  
467 ~~conduct business.~~

468 (e) The name of each agent to be in full-time charge of an  
469 agency office and specification of which office, including  
470 branch locations.

471 (f) The fingerprints of each of the following:

472 1. A sole proprietor;

473 2. Each partner;

474 3. Each owner of an unincorporated agency;

475 4. Each owner who directs or participates in the management  
476 or control of an incorporated agency whose shares are not traded



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477 on a securities exchange;

478 5. The president, senior vice presidents, treasurer,  
479 secretary, and directors of the agency; and

480 6. Any other person who directs or participates in the  
481 management or control of the agency, whether through the  
482 ownership of voting securities, by contract, by ownership of any  
483 agency bank accounts, or otherwise.

484

485 Fingerprints must be taken by a law enforcement agency or other  
486 entity approved by the department and must be accompanied by the  
487 fingerprint processing fee specified in s. 624.501. Fingerprints  
488 must ~~shall~~ be processed in accordance with s. 624.34. However,  
489 fingerprints need not be filed for any individual who is  
490 currently licensed and appointed under this chapter. This  
491 paragraph does not apply to corporations whose voting shares are  
492 traded on a securities exchange.

493 (g) Such additional information as the department requires  
494 by rule to ascertain the trustworthiness and competence of  
495 persons required to be listed on the application and to  
496 ascertain that such persons meet the requirements of this code.  
497 However, the department may not require that credit or character  
498 reports be submitted for persons required to be listed on the  
499 application.

500 (h) ~~Beginning October 1, 2005,~~ The department must ~~shall~~  
501 accept the uniform application for nonresident agency licensure.  
502 The department may adopt by rule revised versions of the uniform  
503 application.

504 ~~(3) The department shall issue a registration as an~~  
505 ~~insurance agency to any agency that files a written application~~



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506 ~~with the department and qualifies for registration. The~~  
507 ~~application for registration shall require the agency to provide~~  
508 ~~the same information required for an agency licensed under~~  
509 ~~subsection (2), the agent identification number for each owner~~  
510 ~~who is a licensed agent, proof that the agency qualifies for~~  
511 ~~registration as provided in s. 626.112(7), and any other~~  
512 ~~additional information that the department determines is~~  
513 ~~necessary in order to demonstrate that the agency qualifies for~~  
514 ~~registration. The application must be signed by the owner or~~  
515 ~~owners of the agency. If the agency is incorporated, the~~  
516 ~~application must be signed by the president and the secretary of~~  
517 ~~the corporation. An agent who owns the agency need not file~~  
518 ~~fingerprints with the department if the agent obtained a license~~  
519 ~~under this chapter and the license is currently valid.~~

520 ~~(a) If an application for registration is denied, the~~  
521 ~~agency must file an application for licensure no later than 30~~  
522 ~~days after the date of the denial of registration.~~

523 ~~(b) A registered insurance agency must file an application~~  
524 ~~for licensure no later than 30 days after the date that any~~  
525 ~~person who is not a licensed and appointed agent in this state~~  
526 ~~acquires any ownership interest in the agency. If an agency~~  
527 ~~fails to file an application for licensure in compliance with~~  
528 ~~this paragraph, the department shall impose an administrative~~  
529 ~~penalty in an amount of up to \$5,000 on the agency.~~

530 ~~(c) Sections 626.6115 and 626.6215 do not apply to agencies~~  
531 ~~registered under this subsection.~~

532 ~~(3)(4) The department must shall issue a license or~~  
533 ~~registration to each agency upon approval of the application,~~  
534 ~~and each agency location must shall display the license or~~



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535 ~~registration~~ prominently in a manner that makes it clearly  
536 visible to any customer or potential customer who enters the  
537 agency.

538 Section 11. Paragraph (d) of subsection (1) of section  
539 626.321, Florida Statutes, is amended to read:

540 626.321 Limited licenses.—

541 (1) The department shall issue to a qualified applicant a  
542 license as agent authorized to transact a limited class of  
543 business in any of the following categories of limited lines  
544 insurance:

545 (d) *Motor vehicle rental insurance.*—

546 1. License covering only insurance of the risks set forth  
547 in this paragraph when offered, sold, or solicited with and  
548 incidental to the rental or lease of a motor vehicle and which  
549 applies only to the motor vehicle that is the subject of the  
550 lease or rental agreement and the occupants of the motor  
551 vehicle:

552 a. Excess motor vehicle liability insurance providing  
553 coverage in excess of the standard liability limits provided by  
554 the lessor in the lessor's lease to a person renting or leasing  
555 a motor vehicle from the licensee's employer for liability  
556 arising in connection with the negligent operation of the leased  
557 or rented motor vehicle.

558 b. Insurance covering the liability of the lessee to the  
559 lessor for damage to the leased or rented motor vehicle.

560 c. Insurance covering the loss of or damage to baggage,  
561 personal effects, or travel documents of a person renting or  
562 leasing a motor vehicle.

563 d. Insurance covering accidental personal injury or death



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564 of the lessee and any passenger who is riding or driving with  
565 the covered lessee in the leased or rented motor vehicle.

566 2. Insurance under a motor vehicle rental insurance license  
567 may be issued only if the lease or rental agreement is for no  
568 more than 60 days, the lessee is not provided coverage for more  
569 than 60 consecutive days per lease period, and the lessee is  
570 given written notice that his or her personal insurance policy  
571 providing coverage on an owned motor vehicle may provide  
572 coverage of such risks and that the purchase of the insurance is  
573 not required in connection with the lease or rental of a motor  
574 vehicle. If the lease is extended beyond 60 days, the coverage  
575 may be extended one time only for a period not to exceed an  
576 additional 60 days. Insurance may be provided to the lessee as  
577 an additional insured on a policy issued to the licensee's  
578 employer.

579 3. The license may be issued only to the full-time salaried  
580 employee of a licensed general lines agent or to a business  
581 entity that offers motor vehicles for rent or lease if insurance  
582 sales activities authorized by the license are in connection  
583 with and incidental to the rental or lease of a motor vehicle.

584 a. A license issued to a business entity that offers motor  
585 vehicles for rent or lease encompasses each office, branch  
586 office, employee, or place of business making use of the  
587 entity's business name in order to offer, solicit, and sell  
588 insurance pursuant to this paragraph.

589 b. The application for licensure must list the name,  
590 address, and phone number for each office, branch office, or  
591 place of business that is to be covered by the license. The  
592 licensee shall notify the department of the name, address, and



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593 phone number of any new location that is to be covered by the  
594 license before the new office, branch office, or place of  
595 business engages in the sale of insurance pursuant to this  
596 paragraph. The licensee must notify the department within 30  
597 days after closing or terminating an office, branch office, or  
598 place of business. Upon receipt of the notice, the department  
599 shall delete the office, branch office, or place of business  
600 from the license.

601 c. A licensed and appointed entity is directly responsible  
602 and accountable for all acts of the licensee's employees.

603 Section 12. Section 626.382, Florida Statutes, is amended  
604 to read:

605 626.382 Continuation, expiration of license; insurance  
606 agencies.—The license of any insurance agency ~~shall be issued~~  
607 ~~for a period of 3 years and~~ shall continue in force until  
608 canceled, suspended, revoked, or otherwise terminated. ~~A license~~  
609 ~~may be renewed by submitting a renewal request to the department~~  
610 ~~on a form adopted by department rule.~~

611 Section 13. Section 626.601, Florida Statutes, is amended  
612 to read:

613 626.601 Improper conduct; inquiry; fingerprinting.—

614 (1) The department or office may, upon its own motion or  
615 upon a written complaint signed by any interested person and  
616 filed with the department or office, inquire into any alleged  
617 improper conduct of any licensed, approved, or certified  
618 insurance agency, agent, adjuster, service representative,  
619 managing general agent, customer representative, title insurance  
620 agent, title insurance agency, mediator, neutral evaluator,  
621 continuing education course provider, instructor, school



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622 official, or monitor group under this code. The department or  
623 office may thereafter initiate an investigation of any such  
624 individual or entity licensee if it has reasonable cause to  
625 believe that the individual or entity licensee has violated any  
626 provision of the insurance code. During the course of its  
627 investigation, the department or office shall contact the  
628 individual or entity licensee being investigated unless it  
629 determines that contacting such individual or entity person  
630 could jeopardize the successful completion of the investigation  
631 or cause injury to the public.

632 (2) In the investigation by the department or office of the  
633 alleged misconduct, the individual or entity licensee shall,  
634 whenever so required by the department or office, cause the  
635 individual's or entity's ~~his or her~~ books and records to be open  
636 for inspection for the purpose of such inquiries.

637 (3) The complaints against any individual or entity  
638 licensee may be informally alleged and need not be in any such  
639 language as is necessary to charge a crime on an indictment or  
640 information.

641 (4) The expense for any hearings or investigations under  
642 this law, as well as the fees and mileage of witnesses, may be  
643 paid out of the appropriate fund.

644 (5) If the department or office, after investigation, has  
645 reason to believe that an individual a licensee may have been  
646 found guilty of or pleaded guilty or nolo contendere to a felony  
647 or a crime related to the business of insurance in this or any  
648 other state or jurisdiction, the department or office may  
649 require the individual licensee to file with the department or  
650 office a complete set of his or her fingerprints, which shall be



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651 accompanied by the fingerprint processing fee set forth in s.  
652 624.501. The fingerprints shall be taken by an authorized law  
653 enforcement agency or other department-approved entity.

654 (6) The complaint and any information obtained pursuant to  
655 the investigation by the department or office are confidential  
656 and are exempt from ~~the provisions of~~ s. 119.07, unless the  
657 department or office files a formal administrative complaint,  
658 emergency order, or consent order against the individual or  
659 entity licensee. ~~Nothing in~~ This subsection does not shall be  
660 ~~construed to~~ prevent the department or office from disclosing  
661 the complaint or such information as it deems necessary to  
662 conduct the investigation, to update the complainant as to the  
663 status and outcome of the complaint, or to share such  
664 information with any law enforcement agency.

665 Section 14. Section 626.747, Florida Statutes, is repealed.

666 Section 15. Paragraph (b) of subsection (1) of section  
667 626.8411, Florida Statutes, is amended to read:

668 626.8411 Application of Florida Insurance Code provisions  
669 to title insurance agents or agencies.—

670 (1) The following provisions of part II applicable to  
671 general lines agents or agencies also apply to title insurance  
672 agents or agencies:

673 (b) Section 626.0428(4)(a) and (b) ~~626.747~~, relating to  
674 branch agencies.

675 Section 16. Subsection (1) of section 626.9914, Florida  
676 Statutes, is amended to read:

677 626.9914 Suspension, revocation, denial, or nonrenewal of  
678 viatical settlement provider license; grounds; administrative  
679 fine.—





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680           (1) The office shall suspend, revoke, deny, or refuse to  
681 renew the license of any viatical settlement provider if the  
682 office finds that the licensee:  
683           (a) Has made a misrepresentation in the application for the  
684 license;  
685           (b) Has engaged in fraudulent or dishonest practices, or  
686 otherwise has been shown to be untrustworthy or incompetent to  
687 act as a viatical settlement provider;  
688           (c) Demonstrates a pattern of unreasonable payments to  
689 viators;  
690           (d) Has been found guilty of, or has pleaded guilty or nolo  
691 contendere to, any felony, or a misdemeanor involving fraud or  
692 moral turpitude, regardless of whether a judgment of conviction  
693 has been entered by the court;  
694           (e) Has issued viatical settlement contracts that have not  
695 been approved pursuant to this act;  
696           (f) Has failed to honor contractual obligations related to  
697 the business of viatical settlement contracts;  
698           (g) Deals in bad faith with viators;  
699           (h) Has violated any provision of the insurance code or of  
700 this act;  
701           (i) Employs any person who materially influences the  
702 licensee's conduct and who fails to meet the requirements of  
703 this act; or  
704           (j) No longer meets the requirements for initial licensure;  
705 ~~or~~  
706           ~~(k) Obtains or utilizes life expectancies from life~~  
707 ~~expectancy providers who are not registered with the office~~  
708 ~~pursuant to this act.~~



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709           Section 17. Section 626.99175, Florida Statutes, is  
710 repealed.

711           Section 18. Section 626.9919, Florida Statutes, is amended  
712 to read:

713           626.9919 Notice of change of licensee ~~or registrant's~~  
714 address or name.—Each viatical settlement provider licensee ~~and~~  
715 ~~registered life expectancy provider~~ must provide the office at  
716 least 30 days' advance notice of any change in the licensee's ~~or~~  
717 ~~registrant's~~ name, residence address, principal business  
718 address, or mailing address.

719           Section 19. Section 626.992, Florida Statutes, is amended  
720 to read:

721           626.992 Use of licensed viatical settlement providers and,  
722 viatical settlement brokers, ~~and registered life expectancy~~  
723 ~~providers required.~~—

724           (1) A licensed viatical settlement provider may not use any  
725 person to perform the functions of a viatical settlement broker  
726 as defined in this act unless such person holds a current, valid  
727 life agent license and has appointed himself or herself in  
728 conformance with this chapter.

729           (2) A viatical settlement broker may not use any person to  
730 perform the functions of a viatical settlement provider as  
731 defined in this act unless such person holds a current, valid  
732 license as a viatical settlement provider.

733           ~~(3) After July 1, 2006, a person may not operate as a life~~  
734 ~~expectancy provider unless such person is registered as a life~~  
735 ~~expectancy provider pursuant to this act.~~

736           ~~(4) After July 1, 2006, a viatical settlement provider,~~  
737 ~~viatical settlement broker, or any other person in the business~~



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738 ~~of viatical settlements may not obtain life expectancies from a~~  
739 ~~person who is not registered as a life expectancy provider~~  
740 ~~pursuant to this act.~~

741 Section 20. Section 626.9925, Florida Statutes, is amended  
742 to read:

743 626.9925 Rules.—The commission may adopt rules to  
744 administer this act, including rules establishing standards for  
745 evaluating advertising by licensees; rules providing for the  
746 collection of data, for disclosures to viators, and for the  
747 reporting of life expectancies, ~~and for the registration of life~~  
748 ~~expectancy providers~~; and rules defining terms used in this act  
749 and prescribing recordkeeping requirements relating to executed  
750 viatical settlement contracts.

751 Section 21. Section 626.99278, Florida Statutes, is amended  
752 to read:

753 626.99278 Viatical provider anti-fraud plan.—Every licensed  
754 viatical settlement provider ~~and registered life expectancy~~  
755 ~~provider~~ must adopt an anti-fraud plan and file it with the  
756 Division of Insurance Fraud of the department. Each anti-fraud  
757 plan shall include:

758 (1) A description of the procedures for detecting and  
759 investigating possible fraudulent acts and procedures for  
760 resolving material inconsistencies between medical records and  
761 insurance applications.

762 (2) A description of the procedures for the mandatory  
763 reporting of possible fraudulent insurance acts and prohibited  
764 practices set forth in s. 626.99275 to the Division of Insurance  
765 Fraud of the department.

766 (3) A description of the plan for anti-fraud education and



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767 training of its underwriters or other personnel.

768 (4) A written description or chart outlining the  
769 organizational arrangement of the anti-fraud personnel who are  
770 responsible for the investigation and reporting of possible  
771 fraudulent insurance acts and for the investigation of  
772 unresolved material inconsistencies between medical records and  
773 insurance applications.

774 (5) For viatical settlement providers, a description of the  
775 procedures used to perform initial and continuing review of the  
776 accuracy of life expectancies used in connection with a viatical  
777 settlement contract or viatical settlement investment.

778 Section 22. Paragraph (b) of subsection (2) of section  
779 627.062, Florida Statutes, is amended to read:

780 627.062 Rate standards.—

781 (2) As to all such classes of insurance:

782 (b) Upon receiving a rate filing, the office shall review  
783 the filing to determine if a rate is excessive, inadequate, or  
784 unfairly discriminatory. In making that determination, the  
785 office shall, in accordance with generally accepted and  
786 reasonable actuarial techniques, consider the following factors:

787 1. Past and prospective loss experience within and without  
788 this state.

789 2. Past and prospective expenses.

790 3. The degree of competition among insurers for the risk  
791 insured.

792 4. Investment income reasonably expected by the insurer,  
793 consistent with the insurer's investment practices, from  
794 investable premiums anticipated in the filing, plus any other  
795 expected income from currently invested assets representing the



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796 amount expected on unearned premium reserves and loss reserves.  
797 The commission may adopt rules using reasonable techniques of  
798 actuarial science and economics to specify the manner in which  
799 insurers calculate investment income attributable to classes of  
800 insurance written in this state and the manner in which  
801 investment income is used to calculate insurance rates. Such  
802 manner must contemplate allowances for an underwriting profit  
803 factor and full consideration of investment income which produce  
804 a reasonable rate of return; however, investment income from  
805 invested surplus may not be considered.

806 5. The reasonableness of the judgment reflected in the  
807 filing.

808 6. Dividends, savings, or unabsorbed premium deposits  
809 allowed or returned to Florida policyholders, members, or  
810 subscribers.

811 7. The adequacy of loss reserves.

812 8. The cost of reinsurance. The office may not disapprove a  
813 rate as excessive solely due to the insurer having obtained  
814 catastrophic reinsurance to cover the insurer's estimated 250-  
815 year probable maximum loss or any lower level of loss.

816 9. Trend factors, including trends in actual losses per  
817 insured unit for the insurer making the filing.

818 10. Conflagration and catastrophe hazards, if applicable.

819 11. Projected hurricane losses, if applicable, which must  
820 be estimated using a model or method, or a straight average of  
821 model results or output ranges, independently found to be  
822 acceptable or reliable by the Florida Commission on Hurricane  
823 Loss Projection Methodology, and as further provided in s.  
824 627.0628.



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825           12. A reasonable margin for underwriting profit and  
826 contingencies.

827           13. The cost of medical services, if applicable.

828           14. Other relevant factors that affect the frequency or  
829 severity of claims or expenses.

830           Section 23. Paragraph (d) of subsection (3) of section  
831 627.0628, Florida Statutes, is amended to read:

832           627.0628 Florida Commission on Hurricane Loss Projection  
833 Methodology; public records exemption; public meetings  
834 exemption.—

835           (3) ADOPTION AND EFFECT OF STANDARDS AND GUIDELINES.—

836           (d) With respect to a rate filing under s. 627.062, an  
837 insurer shall employ and may not modify or adjust actuarial  
838 methods, principles, standards, models, or output ranges found  
839 by the commission to be accurate or reliable in determining  
840 hurricane loss factors for use in a rate filing under s.  
841 627.062. An insurer shall employ and may not modify or adjust  
842 models found by the commission to be accurate or reliable in  
843 determining probable maximum loss levels pursuant to paragraph  
844 (b) with respect to a rate filing under s. 627.062 made more  
845 than 180 ~~60~~ days after the commission has made such findings.  
846 This paragraph does not prohibit an insurer from using a  
847 straight average of model results or output ranges or using  
848 straight averages for the purposes of a rate filing under s.  
849 627.062.

850           Section 24. Subsections (2) through (4) of section 627.072,  
851 Florida Statutes, are renumbered as subsections (3) through (5),  
852 respectively, and a new subsection (2) is added to that section,  
853 to read:



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854 627.072 Making and use of rates.-

855 (2) A retrospective rating plan may contain a provision  
856 that allows negotiation between the employer and the insurer to  
857 determine the retrospective rating factors used to calculate the  
858 premium for employers that have exposure in more than one state  
859 and an estimated annual countrywide standard premium of \$1  
860 million or more for workers' compensation.

861 Section 25. Subsection (2) of section 627.281, Florida  
862 Statutes, is amended to read:

863 627.281 Appeal from rating organization; workers'  
864 compensation and employer's liability insurance filings.-

865 (2) If such appeal is based upon the failure of the rating  
866 organization to make a filing on behalf of such member or  
867 subscriber which is based on a system of expense provisions  
868 which differs, in accordance with the right granted in s.  
869 627.072(3) ~~627.072(2)~~, from the system of expense provisions  
870 included in a filing made by the rating organization, the office  
871 shall, if it grants the appeal, order the rating organization to  
872 make the requested filing for use by the appellant. In deciding  
873 such appeal, the office shall apply the applicable standards set  
874 forth in ss. 627.062 and 627.072.

875 Section 26. Section 627.3519, Florida Statutes, is  
876 repealed.

877 Section 27. Paragraph (b) of subsection (2) of section  
878 627.4133, Florida Statutes, is amended to read:

879 627.4133 Notice of cancellation, nonrenewal, or renewal  
880 premium.-

881 (2) With respect to any personal lines or commercial  
882 residential property insurance policy, including, but not



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883 limited to, any homeowner's, mobile home owner's, farmowner's,  
884 condominium association, condominium unit owner's, apartment  
885 building, or other policy covering a residential structure or  
886 its contents:

887 (b) The insurer shall give the first-named insured written  
888 notice of nonrenewal, cancellation, or termination at least 120  
889 ~~100~~ days before the effective date of the nonrenewal,  
890 cancellation, or termination. ~~However, the insurer shall give at~~  
891 ~~least 100 days' written notice, or written notice by June 1,~~  
892 ~~whichever is earlier, for any nonrenewal, cancellation, or~~  
893 ~~termination that would be effective between June 1 and November~~  
894 ~~30.~~ The notice must include the reason or reasons for the  
895 nonrenewal, cancellation, or termination, except that:

896 ~~1. The insurer shall give the first-named insured written~~  
897 ~~notice of nonrenewal, cancellation, or termination at least 120~~  
898 ~~days prior to the effective date of the nonrenewal,~~  
899 ~~cancellation, or termination for a first-named insured whose~~  
900 ~~residential structure has been insured by that insurer or an~~  
901 ~~affiliated insurer for at least a 5-year period immediately~~  
902 ~~prior to the date of the written notice.~~

903 ~~1.2.~~ If cancellation is for nonpayment of premium, at least  
904 10 days' written notice of cancellation accompanied by the  
905 reason therefor must be given. As used in this subparagraph, the  
906 term "nonpayment of premium" means failure of the named insured  
907 to discharge when due her or his obligations for ~~in connection~~  
908 ~~with~~ the payment of premiums on a policy or any installment of  
909 such premium, whether the premium is payable directly to the  
910 insurer or its agent or indirectly under any premium finance  
911 plan or extension of credit, or failure to maintain membership





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912 in an organization if such membership is a condition precedent  
913 to insurance coverage. The term also means the failure of a  
914 financial institution to honor an insurance applicant's check  
915 after delivery to a licensed agent for payment of a premium,  
916 even if the agent has previously delivered or transferred the  
917 premium to the insurer. If a dishonored check represents the  
918 initial premium payment, the contract and all contractual  
919 obligations are void ab initio unless the nonpayment is cured  
920 within the earlier of 5 days after actual notice by certified  
921 mail is received by the applicant or 15 days after notice is  
922 sent to the applicant by certified mail or registered mail, ~~and~~  
923 If the contract is void, any premium received by the insurer  
924 from a third party must be refunded to that party in full.

925 ~~2.3.~~ If ~~such~~ cancellation or termination occurs during the  
926 first 90 days the insurance is in force and the insurance is  
927 canceled or terminated for reasons other than nonpayment of  
928 premium, at least 20 days' written notice of cancellation or  
929 termination accompanied by the reason therefor must be given  
930 unless there has been a material misstatement or  
931 misrepresentation or failure to comply with the underwriting  
932 requirements established by the insurer.

933 3. After the policy has been in effect for 90 days, the  
934 policy may not be canceled by the insurer unless there has been  
935 a material misstatement, a nonpayment of premium, a failure to  
936 comply with underwriting requirements established by the insurer  
937 within 90 days after the date of effectuation of coverage, or a  
938 substantial change in the risk covered by the policy or if the  
939 cancellation is for all insureds under such policies for a given  
940 class of insureds. This subparagraph does not apply to



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941 individually rated risks having a policy term of less than 90  
942 days.

943 ~~4. The requirement for providing written notice by June 1~~  
944 ~~of any nonrenewal that would be effective between June 1 and~~  
945 ~~November 30 does not apply to the following situations, but the~~  
946 ~~insurer remains subject to the requirement to provide such~~  
947 ~~notice at least 100 days before the effective date of~~  
948 ~~nonrenewal:~~

949 ~~a. A policy that is nonrenewed due to a revision in the~~  
950 ~~coverage for sinkhole losses and catastrophic ground cover~~  
951 ~~collapse pursuant to s. 627.706.~~

952 ~~4.b.~~ A policy that is nonrenewed by Citizens Property  
953 Insurance Corporation, pursuant to s. 627.351(6), for a policy  
954 that has been assumed by an authorized insurer offering  
955 replacement coverage to the policyholder is exempt from the  
956 notice requirements of paragraph (a) and this paragraph. In such  
957 cases, the corporation must give the named insured written  
958 notice of nonrenewal at least 45 days before the effective date  
959 of the nonrenewal.

960  
961 ~~After the policy has been in effect for 90 days, the policy may~~  
962 ~~not be canceled by the insurer unless there has been a material~~  
963 ~~misstatement, a nonpayment of premium, a failure to comply with~~  
964 ~~underwriting requirements established by the insurer within 90~~  
965 ~~days after the date of effectuation of coverage, or a~~  
966 ~~substantial change in the risk covered by the policy or if the~~  
967 ~~cancellation is for all insureds under such policies for a given~~  
968 ~~class of insureds. This paragraph does not apply to individually~~  
969 ~~rated risks having a policy term of less than 90 days.~~



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970           5. Notwithstanding any other provision of law, an insurer  
971 may cancel or nonrenew a property insurance policy after at  
972 least 45 days' notice if the office finds that the early  
973 cancellation of some or all of the insurer's policies is  
974 necessary to protect the best interests of the public or  
975 policyholders and the office approves the insurer's plan for  
976 early cancellation or nonrenewal of some or all of its policies.  
977 The office may base such finding upon the financial condition of  
978 the insurer, lack of adequate reinsurance coverage for hurricane  
979 risk, or other relevant factors. The office may condition its  
980 finding on the consent of the insurer to be placed under  
981 administrative supervision pursuant to s. 624.81 or to the  
982 appointment of a receiver under chapter 631.

983           6. A policy covering both a home and motor vehicle may be  
984 nonrenewed for any reason applicable to ~~either~~ the property or  
985 motor vehicle insurance after providing 90 days' notice.

986           Section 28. Subsection (1) of section 627.4137, Florida  
987 Statutes, is amended to read:

988           627.4137 Disclosure of certain information required.-

989           (1) Each insurer that provides ~~which does~~ or may provide  
990 liability insurance coverage to pay all or a portion of any  
991 claim that ~~which~~ might be made shall provide, within 30 days  
992 after ~~of~~ the written request of the claimant, a statement, under  
993 oath, of a corporate officer or the insurer's claims manager, or  
994 superintendent, or licensed company adjuster setting forth the  
995 following information with regard to each known policy of  
996 insurance, including excess or umbrella insurance:

997           (a) The name of the insurer.

998           (b) The name of each insured.



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999 (c) The limits of the liability coverage.

1000 (d) A statement of any policy or coverage defense that the  
1001 ~~which such~~ insurer reasonably believes is available to the ~~such~~  
1002 insurer at the time of filing such statement.

1003 (e) A copy of the policy.

1004

1005 In addition, the insured, or her or his insurance agent, upon  
1006 written request of the claimant or the claimant's attorney,  
1007 shall disclose the name and coverage of each known insurer to  
1008 the claimant and shall forward such request for information as  
1009 required by this subsection to all affected insurers. The  
1010 insurer shall then supply the information required in this  
1011 subsection to the claimant within 30 days after ~~of~~ receipt of  
1012 such request.

1013 Section 29. Subsection (1) of section 627.421, Florida  
1014 Statutes, is amended to read:

1015 627.421 Delivery of policy.-

1016 (1) Subject to the insurer's requirement as to payment of  
1017 premium, every policy shall be mailed or delivered to the  
1018 insured or to the person entitled thereto not later than 60 days  
1019 after the effectuation of coverage. Notwithstanding any other  
1020 provision of law, an insurer may allow a policyholder to  
1021 affirmatively elect delivery of the policy documents, including,  
1022 but not limited to, policies, endorsements, notices, or  
1023 documents, by electronic means in lieu of delivery by mail.

1024 Section 30. Subsection (2) of section 627.43141, Florida  
1025 Statutes, is amended to read:

1026 627.43141 Notice of change in policy terms.-

1027 (2) A renewal policy may contain a change in policy terms.



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1028 If a renewal policy contains ~~does contain~~ such change, the  
1029 insurer must give the named insured written notice of the  
1030 change, which may either ~~must~~ be enclosed along with the written  
1031 notice of renewal premium required by ss. 627.4133 and 627.728  
1032 or be sent in a separate notice that complies with the  
1033 nonrenewal mailing time requirement for that particular line of  
1034 business. The insurer must also provide a sample copy of the  
1035 notice to the insured's insurance agent before or at the same  
1036 time that notice is given to the insured. Such notice shall be  
1037 entitled "Notice of Change in Policy Terms."

1038 Section 31. Subsection (7) of section 627.701, Florida  
1039 Statutes, is amended to read:

1040 627.701 Liability of insureds; coinsurance; deductibles.—

1041 (7) Before ~~Prior to~~ issuing a personal lines residential  
1042 property insurance policy on or after January 1, 2014 ~~April 1,~~  
1043 ~~1997,~~ or before ~~prior to~~ the first renewal of a residential  
1044 property insurance policy on or after January 1, 2014 ~~April 1,~~  
1045 ~~1997,~~ the insurer must offer a deductible equal to \$500, or  
1046 equal to 1 percent of the policy dwelling limits if such amount  
1047 is not less than \$500, applicable to losses from perils other  
1048 than hurricane. ~~The insurer must provide the policyholder with~~  
1049 ~~notice of the availability of the deductible specified in this~~  
1050 ~~subsection in a form approved by the office at least once every~~  
1051 ~~3 years. The failure to provide such notice constitutes a~~  
1052 ~~violation of this code but does not affect the coverage provided~~  
1053 ~~under the policy.~~ An insurer may require a higher deductible  
1054 only as part of a deductible program lawfully in effect on June  
1055 1, 1996, or as part of a similar deductible program.

1056 Section 32. Paragraph (b) of subsection (4) of section



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1057 627.7015, Florida Statutes, is amended to read:

1058 627.7015 Alternative procedure for resolution of disputed  
1059 property insurance claims.—

1060 (4) The department shall adopt by rule a property insurance  
1061 mediation program to be administered by the department or its  
1062 designee. The department may also adopt special rules which are  
1063 applicable in cases of an emergency within the state. The rules  
1064 shall be modeled after practices and procedures set forth in  
1065 mediation rules of procedure adopted by the Supreme Court. The  
1066 rules shall provide for:

1067 (b) Qualifications, denial of application, suspension,  
1068 revocation, and other penalties for ~~of~~ mediators as provided in  
1069 s. 627.745 and in the Florida Rules of Certified and Court  
1070 Appointed Mediators, ~~and for such other individuals as are~~  
1071 ~~qualified by education, training, or experience as the~~  
1072 ~~department determines to be appropriate.~~

1073 Section 33. Section 627.70151, Florida Statutes, is created  
1074 to read:

1075 627.70151 Appraisal; conflicts of interest.—An insurer that  
1076 offers residential coverage, as defined in s. 627.4025, or a  
1077 policyholder that uses an appraisal clause in the property  
1078 insurance contract to establish a process of estimating or  
1079 evaluating the amount of the loss through the use of an  
1080 impartial umpire may challenge the umpire's impartiality and  
1081 disqualify the proposed umpire only if:

1082 (1) A familial relationship within the third degree exists  
1083 between the umpire and any party or a representative of any  
1084 party;

1085 (2) The umpire has previously represented any party or a



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1086 representative of any party in a professional capacity in the  
1087 same or a substantially related matter;

1088 (3) The umpire has represented another person in a  
1089 professional capacity on the same or a substantially related  
1090 matter, which includes the claim, same property, or an adjacent  
1091 property and that other person's interests are materially  
1092 adverse to the interests of any party; or

1093 (4) The umpire has worked as an employer or employee of any  
1094 party within the preceding 5 years.

1095 Section 34. Paragraph (c) of subsection (2) of section  
1096 627.706, Florida Statutes, is amended to read:

1097 627.706 Sinkhole insurance; catastrophic ground cover  
1098 collapse; definitions.—

1099 (2) As used in ss. 627.706-627.7074, and as used in  
1100 connection with any policy providing coverage for a catastrophic  
1101 ground cover collapse or for sinkhole losses, the term:

1102 (c) "Neutral evaluator" means a professional engineer or a  
1103 professional geologist who has completed a course of study in  
1104 alternative dispute resolution designed or approved by the  
1105 department for use in the neutral evaluation process, ~~and~~ who is  
1106 determined by the department to be fair and impartial, and who  
1107 is not otherwise ineligible for certification as provided in s.  
1108 627.7074.

1109 Section 35. Subsection (1) of section 627.7074, Florida  
1110 Statutes, is amended to read:

1111 627.7074 Alternative procedure for resolution of disputed  
1112 sinkhole insurance claims.—

1113 (1) The department shall:

1114 (a) Certify and maintain a list of persons who are neutral



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1115 evaluators.

1116 (b) Adopt rules for certifying, denying certification,  
1117 suspending certification, and revoking certification as a  
1118 neutral evaluator, in keeping with qualifications specified in  
1119 this section and ss. 627.706 and 627.745(4).

1120 (c) ~~(b)~~ Prepare a consumer information pamphlet for  
1121 distribution by insurers to policyholders which clearly  
1122 describes the neutral evaluation process and includes  
1123 information necessary for the policyholder to request a neutral  
1124 evaluation.

1125 Section 36. Paragraph (a) of subsection (5) of section  
1126 627.736, Florida Statutes, is amended to read:

1127 627.736 Required personal injury protection benefits;  
1128 exclusions; priority; claims.—

1129 (5) CHARGES FOR TREATMENT OF INJURED PERSONS.—

1130 (a) A physician, hospital, clinic, or other person or  
1131 institution lawfully rendering treatment to an injured person  
1132 for a bodily injury covered by personal injury protection  
1133 insurance may charge the insurer and injured party only a  
1134 reasonable amount pursuant to this section for the services and  
1135 supplies rendered, and the insurer providing such coverage may  
1136 pay for such charges directly to such person or institution  
1137 lawfully rendering such treatment if the insured receiving such  
1138 treatment or his or her guardian has countersigned the properly  
1139 completed invoice, bill, or claim form approved by the office  
1140 upon which such charges are to be paid for as having actually  
1141 been rendered, to the best knowledge of the insured or his or  
1142 her guardian. However, such a charge may not exceed the amount  
1143 the person or institution customarily charges for like services





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1144 or supplies. In determining whether a charge for a particular  
1145 service, treatment, or otherwise is reasonable, consideration  
1146 may be given to evidence of usual and customary charges and  
1147 payments accepted by the provider involved in the dispute,  
1148 reimbursement levels in the community and various federal and  
1149 state medical fee schedules applicable to motor vehicle and  
1150 other insurance coverages, and other information relevant to the  
1151 reasonableness of the reimbursement for the service, treatment,  
1152 or supply.

1153 1. The insurer may limit reimbursement to 80 percent of the  
1154 following schedule of maximum charges:

1155 a. For emergency transport and treatment by providers  
1156 licensed under chapter 401, 200 percent of Medicare.

1157 b. For emergency services and care provided by a hospital  
1158 licensed under chapter 395, 75 percent of the hospital's usual  
1159 and customary charges.

1160 c. For emergency services and care as defined by s. 395.002  
1161 provided in a facility licensed under chapter 395 rendered by a  
1162 physician or dentist, and related hospital inpatient services  
1163 rendered by a physician or dentist, the usual and customary  
1164 charges in the community.

1165 d. For hospital inpatient services, other than emergency  
1166 services and care, 200 percent of the Medicare Part A  
1167 prospective payment applicable to the specific hospital  
1168 providing the inpatient services.

1169 e. For hospital outpatient services, other than emergency  
1170 services and care, 200 percent of the Medicare Part A Ambulatory  
1171 Payment Classification for the specific hospital providing the  
1172 outpatient services.



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1173 f. For all other medical services, supplies, and care, 200  
1174 percent of the allowable amount under:

1175 (I) The participating physicians fee schedule of Medicare  
1176 Part B, except as provided in sub-sub-subparagraphs (II) and  
1177 (III).

1178 (II) Medicare Part B, in the case of services, supplies,  
1179 and care provided by ambulatory surgical centers and clinical  
1180 laboratories.

1181 (III) The Durable Medical Equipment Prosthetics/Orthotics  
1182 and Supplies fee schedule of Medicare Part B, in the case of  
1183 durable medical equipment.

1184  
1185 However, if such services, supplies, or care is not reimbursable  
1186 under Medicare Part B, as provided in this sub-subparagraph, the  
1187 insurer may limit reimbursement to 80 percent of the maximum  
1188 reimbursable allowance under workers' compensation, as  
1189 determined under s. 440.13 and rules adopted thereunder which  
1190 are in effect at the time such services, supplies, or care is  
1191 provided. Services, supplies, or care that is not reimbursable  
1192 under Medicare or workers' compensation is not required to be  
1193 reimbursed by the insurer.

1194 2. For purposes of subparagraph 1., the applicable fee  
1195 schedule or payment limitation under Medicare is the fee  
1196 schedule or payment limitation in effect on March 1 of the year  
1197 in which the services, supplies, or care is rendered and for the  
1198 area in which such services, supplies, or care is rendered, and  
1199 the applicable fee schedule or payment limitation applies from  
1200 March 1 until the last day of the following February ~~throughout~~  
1201 ~~the remainder of that year~~, notwithstanding any subsequent



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1202 change made to the fee schedule or payment limitation, except  
1203 that it may not be less than the allowable amount under the  
1204 applicable schedule of Medicare Part B for 2007 for medical  
1205 services, supplies, and care subject to Medicare Part B.

1206 3. Subparagraph 1. does not allow the insurer to apply any  
1207 limitation on the number of treatments or other utilization  
1208 limits that apply under Medicare or workers' compensation. An  
1209 insurer that applies the allowable payment limitations of  
1210 subparagraph 1. must reimburse a provider who lawfully provided  
1211 care or treatment under the scope of his or her license,  
1212 regardless of whether such provider is entitled to reimbursement  
1213 under Medicare due to restrictions or limitations on the types  
1214 or discipline of health care providers who may be reimbursed for  
1215 particular procedures or procedure codes. However, subparagraph  
1216 1. does not prohibit an insurer from using the Medicare coding  
1217 policies and payment methodologies of the federal Centers for  
1218 Medicare and Medicaid Services, including applicable modifiers,  
1219 to determine the appropriate amount of reimbursement for medical  
1220 services, supplies, or care if the coding policy or payment  
1221 methodology does not constitute a utilization limit.

1222 4. If an insurer limits payment as authorized by  
1223 subparagraph 1., the person providing such services, supplies,  
1224 or care may not bill or attempt to collect from the insured any  
1225 amount in excess of such limits, except for amounts that are not  
1226 covered by the insured's personal injury protection coverage due  
1227 to the coinsurance amount or maximum policy limits.

1228 5. Effective July 1, 2012, an insurer may limit payment as  
1229 authorized by this paragraph only if the insurance policy  
1230 includes a notice at the time of issuance or renewal that the



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1231 insurer may limit payment pursuant to the schedule of charges  
1232 specified in this paragraph. A policy form approved by the  
1233 office satisfies this requirement. If a provider submits a  
1234 charge for an amount less than the amount allowed under  
1235 subparagraph 1., the insurer may pay the amount of the charge  
1236 submitted.

1237 Section 37. Subsection (3) of section 627.745, Florida  
1238 Statutes, is amended, present subsections (4) and (5) of that  
1239 section are renumbered as subsections (5) and (6), respectively,  
1240 and a new subsection (4) is added to that section, to read:

1241 627.745 Mediation of claims.—

1242 (3) (a) The department shall approve mediators to conduct  
1243 mediations pursuant to this section. All mediators must file an  
1244 application under oath for approval as a mediator.

1245 (b) To qualify for approval as a mediator, an individual ~~a~~  
1246 ~~person~~ must meet one of the following qualifications:

1247 1. Possess an active certification as a Florida Circuit  
1248 Court Mediator. A Florida Circuit Court Mediator in a lapsed,  
1249 suspended, or decertified status is not eligible to participate  
1250 in the mediation program ~~a masters or doctorate degree in~~  
1251 ~~psychology, counseling, business, accounting, or economics, be a~~  
1252 ~~member of The Florida Bar, be licensed as a certified public~~  
1253 ~~accountant, or demonstrate that the applicant for approval has~~  
1254 ~~been actively engaged as a qualified mediator for at least 4~~  
1255 ~~years prior to July 1, 1990.~~

1256 2. Be an approved department mediator as of July 1, 2013,  
1257 and have conducted at least one mediation on behalf of the  
1258 department within 4 years immediately preceding that ~~the~~ date  
1259 ~~the application for approval is filed with the department, have~~



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1260 ~~completed a minimum of a 40-hour training program approved by~~  
1261 ~~the department and successfully passed a final examination~~  
1262 ~~included in the training program and approved by the department.~~  
1263 ~~The training program shall include and address all of the~~  
1264 ~~following:~~

- 1265 ~~a. Mediation theory.~~
- 1266 ~~b. Mediation process and techniques.~~
- 1267 ~~c. Standards of conduct for mediators.~~
- 1268 ~~d. Conflict management and intervention skills.~~
- 1269 ~~e. Insurance nomenclature.~~

1270 (4) The department shall deny an application, or suspend or  
1271 revoke its approval of a mediator or its certification of a  
1272 neutral evaluator to serve in such capacity, if the department  
1273 finds that any of the following grounds exist:

1274 (a) Lack of one or more of the qualifications specified in  
1275 this section for approval or certification.

1276 (b) Material misstatement, misrepresentation, or fraud in  
1277 obtaining or attempting to obtain the approval or certification.

1278 (c) Demonstrated lack of fitness or trustworthiness to act  
1279 as a mediator or neutral evaluator.

1280 (d) Fraudulent or dishonest practices in the conduct of  
1281 mediation or neutral evaluation or in the conduct of business in  
1282 the financial services industry.

1283 (e) Violation of any provision of this code, a lawful order  
1284 or rule of the department, the Florida Rules for Certified and  
1285 Court-Appointed Mediators, or aiding, instructing, or  
1286 encouraging another party in committing such a violation.

1287  
1288 The department may adopt rules to administer this subsection.



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1289           Section 38. Paragraph (b) of subsection (1) of section  
1290 627.952, Florida Statutes, is amended to read:

1291           627.952 Risk retention and purchasing group agents.—

1292           (1) Any person offering, soliciting, selling, purchasing,  
1293 administering, or otherwise servicing insurance contracts,  
1294 certificates, or agreements for any purchasing group or risk  
1295 retention group to any resident of this state, either directly  
1296 or indirectly, by the use of mail, advertising, or other means  
1297 of communication, shall obtain a license and appointment to act  
1298 as a resident general lines agent, if a resident of this state,  
1299 or a nonresident general lines agent if not a resident. Any such  
1300 person shall be subject to all requirements of the Florida  
1301 Insurance Code.

1302           (b) Any person required to be licensed and appointed under  
1303 this subsection, in order to place business through Florida  
1304 eligible surplus lines carriers, must, if a resident of this  
1305 state, be licensed and appointed as a surplus lines agent. If  
1306 not a resident of this state, such person must be licensed and  
1307 appointed as a nonresident surplus lines agent in this her or  
1308 ~~his state of residence and file and maintain a fidelity bond in~~  
1309 ~~favor of the people of the State of Florida executed by a surety~~  
1310 ~~company admitted in this state and payable to the State of~~  
1311 ~~Florida; however, such nonresident is limited to the provision~~  
1312 ~~of insurance for purchasing groups. The bond must be continuous~~  
1313 ~~in form and in the amount of not less than \$50,000, aggregate~~  
1314 ~~liability. The bond must remain in force and effect until the~~  
1315 ~~surety is released from liability by the department or until the~~  
1316 ~~bond is canceled by the surety. The surety may cancel the bond~~  
1317 ~~and be released from further liability upon 30 days' prior~~



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1318 ~~written notice to the department. The cancellation does not~~  
1319 ~~affect any liability incurred or accrued before the termination~~  
1320 ~~of the 30 day period. Upon receipt of a notice of cancellation,~~  
1321 ~~the department shall immediately notify the agent.~~

1322 Section 39. Subsection (6) of section 627.971, Florida  
1323 Statutes, is amended to read:

1324 627.971 Definitions.—As used in this part:

1325 (6) "Financial guaranty insurance corporation" means a  
1326 stock or mutual insurer licensed to transact financial guaranty  
1327 insurance business in this state.

1328 Section 40. Subsection (1) of section 627.972, Florida  
1329 Statutes, is amended to read:

1330 627.972 Organization; financial requirements.—

1331 (1) A financial guaranty insurance corporation must be  
1332 organized and licensed in the manner prescribed in this code for  
1333 stock or mutual property and casualty insurers except that:

1334 (a) A corporation organized to transact financial guaranty  
1335 insurance may, subject to the provisions of this code, be  
1336 licensed to transact:

- 1337 1. Residual value insurance, as defined by s. 624.6081;  
1338 2. Surety insurance, as defined by s. 624.606;  
1339 3. Credit insurance, as defined by s. 624.605(1)(i); and  
1340 4. Mortgage guaranty insurance as defined in s. 635.011,  
1341 provided that the provisions of chapter 635 are met.

1342 (b)1. Before ~~Prior to~~ the issuance of a license, a  
1343 corporation must submit to the office for approval, a plan of  
1344 operation detailing:

1345 a. The types and projected diversification of guaranties to  
1346 be issued;



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1347           b. The underwriting procedures to be followed;  
1348           c. The managerial oversight methods;  
1349           d. The investment policies; and  
1350           e. Any other matters prescribed by the office;  
1351           2. An insurer which is writing only the types of insurance  
1352 allowed under this part on July 1, 1988, and otherwise meets the  
1353 requirements of this part, is exempt from the requirements of  
1354 this paragraph.  
1355           (c) An insurer transacting financial guaranty insurance is  
1356 subject to all provisions of this code that are applicable to  
1357 property and casualty insurers to the extent that those  
1358 provisions are not inconsistent with this part.  
1359           (d) The investments of an insurer transacting financial  
1360 guaranty insurance in any entity insured by the corporation may  
1361 not exceed 2 percent of its admitted assets as of the end of the  
1362 prior calendar year.  
1363           (e) An insurer transacting financial guaranty insurance may  
1364 only assume those lines of insurance for which it is licensed to  
1365 write direct business.  
1366           Section 41. Subsection (13) of section 628.901, Florida  
1367 Statutes, is amended to read:  
1368           628.901 Definitions.—As used in this part, the term:  
1369           (13) “Qualifying reinsurer parent company” means a  
1370 reinsurer that ~~which~~ currently holds a certificate of authority  
1371 or a letter of eligibility or is a trusted reinsurer or an  
1372 accredited ~~or a satisfactory non-approved~~ reinsurer in this  
1373 state possessing a consolidated GAAP net worth of at least \$500  
1374 million and a consolidated debt to total capital ratio of not  
1375 greater than 0.50.





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1376 Section 42. Paragraph (a) of subsection (2) and paragraph  
1377 (a) of subsection (3) of section 628.909, Florida Statutes, are  
1378 amended to read:

1379 628.909 Applicability of other laws.—

1380 (2) The following provisions of the Florida Insurance Code  
1381 apply to captive insurers who are not industrial insured captive  
1382 insurers to the extent that such provisions are not inconsistent  
1383 with this part:

1384 (a) Chapter 624, except for ss. 624.407, 624.408, 624.4085,  
1385 624.40851, 624.4095, 624.411, 624.425, and 624.426.

1386 (3) The following provisions of the Florida Insurance Code  
1387 apply to industrial insured captive insurers to the extent that  
1388 such provisions are not inconsistent with this part:

1389 (a) Chapter 624, except for ss. 624.407, 624.408, 624.4085,  
1390 624.40851, 624.4095, 624.411, 624.425, 624.426, and 624.609(1).

1391 Section 43. Subsection (8) of section 634.406, Florida  
1392 Statutes, is renumbered as subsection (7), and present  
1393 subsections (6) and (7) of that section are amended, to read:

1394 634.406 Financial requirements.—

1395 (6) An association that ~~which~~ holds a license under this  
1396 part ~~and which does not hold any other license under this~~  
1397 ~~chapter~~ may allow its premiums for service warranties written  
1398 under this part to exceed the ratio to net assets limitations of  
1399 this section if the association meets all of the following:

1400 (a) Maintains net assets of at least \$750,000.

1401 (b) Utilizes a contractual liability insurance policy  
1402 approved by the office which:

1403 1. Reimburses the service warranty association for 100  
1404 percent of its claims liability and is issued by an insurer that



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1405 maintains a policyholder surplus of at least \$100 million; or  
1406 2. Complies with the requirements of subsection (3) and is  
1407 issued by an insurer that maintains a policyholder surplus of at  
1408 least \$200 million.

1409 (c) The insurer issuing the contractual liability insurance  
1410 policy:

1411 ~~1. Maintains a policyholder surplus of at least \$100~~  
1412 ~~million.~~

1413 ~~1.2.~~ Is rated "A" or higher by A.M. Best Company or an  
1414 equivalent rating by another national rating service acceptable  
1415 to the office.

1416 ~~3. Is in no way affiliated with the warranty association.~~

1417 ~~2.4.~~ In conjunction with the warranty association's filing  
1418 of the quarterly and annual reports, provides, on a form  
1419 prescribed by the commission, a statement certifying the gross  
1420 written premiums in force reported by the warranty association  
1421 and a statement that all of the warranty association's gross  
1422 written premium in force is covered under the contractual  
1423 liability policy, whether or not it has been reported.

1424 ~~(7) A contractual liability policy must insure 100 percent~~  
1425 ~~of an association's claims exposure under all of the~~  
1426 ~~association's service warranty contracts, wherever written,~~  
1427 ~~unless all of the following are satisfied:~~

1428 ~~(a) The contractual liability policy contains a clause that~~  
1429 ~~specifically names the service warranty contract holders as sole~~  
1430 ~~beneficiaries of the contractual liability policy and claims are~~  
1431 ~~paid directly to the person making a claim under the contract;~~

1432 ~~(b) The contractual liability policy meets all other~~  
1433 ~~requirements of this part, including subsection (3) of this~~



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1434 ~~section, which are not inconsistent with this subsection;~~  
1435 ~~(c) The association has been in existence for at least 5~~  
1436 ~~years or the association is a wholly owned subsidiary of a~~  
1437 ~~corporation that has been in existence and has been licensed as~~  
1438 ~~a service warranty association in the state for at least 5~~  
1439 ~~years, and:~~  
1440 ~~1. Is listed and traded on a recognized stock exchange; is~~  
1441 ~~listed in NASDAQ (National Association of Security Dealers~~  
1442 ~~Automated Quotation system) and publicly traded in the over-the-~~  
1443 ~~counter securities market; is required to file either of Form~~  
1444 ~~10-K, Form 100, or Form 20-G with the United States Securities~~  
1445 ~~and Exchange Commission; or has American Depository Receipts~~  
1446 ~~listed on a recognized stock exchange and publicly traded or is~~  
1447 ~~the wholly owned subsidiary of a corporation that is listed and~~  
1448 ~~traded on a recognized stock exchange; is listed in NASDAQ~~  
1449 ~~(National Association of Security Dealers Automated Quotation~~  
1450 ~~system) and publicly traded in the over-the-counter securities~~  
1451 ~~market; is required to file Form 10-K, Form 100, or Form 20-G~~  
1452 ~~with the United States Securities and Exchange Commission; or~~  
1453 ~~has American Depository Receipts listed on a recognized stock~~  
1454 ~~exchange and is publicly traded;~~  
1455 ~~2. Maintains outstanding debt obligations, if any, rated in~~  
1456 ~~the top four rating categories by a recognized rating service;~~  
1457 ~~3. Has and maintains at all times a minimum net worth of~~  
1458 ~~not less than \$10 million as evidenced by audited financial~~  
1459 ~~statements prepared by an independent certified public~~  
1460 ~~accountant in accordance with generally accepted accounting~~  
1461 ~~principles and submitted to the office annually; and~~  
1462 ~~4. Is authorized to do business in this state; and~~



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1463           ~~(d) The insurer issuing the contractual liability policy:~~  
1464           ~~1. Maintains and has maintained for the preceding 5 years,~~  
1465 ~~policyholder surplus of at least \$100 million and is rated "A"~~  
1466 ~~or higher by A.M. Best Company or has an equivalent rating by~~  
1467 ~~another rating company acceptable to the office;~~  
1468           ~~2. Holds a certificate of authority to do business in this~~  
1469 ~~state and is approved to write this type of coverage; and~~  
1470           ~~3. Acknowledges to the office quarterly that it insures all~~  
1471 ~~of the association's claims exposure under contracts delivered~~  
1472 ~~in this state.~~

1473  
1474 ~~If all the preceding conditions are satisfied, then the scope of~~  
1475 ~~coverage under a contractual liability policy shall not be~~  
1476 ~~required to exceed an association's claims exposure under~~  
1477 ~~service warranty contracts delivered in this state.~~

1478           Section 44. This act shall take effect upon becoming a law.

1479  
1480 ===== T I T L E   A M E N D M E N T =====

1481 And the title is amended as follows:

1482           Delete everything before the enacting clause  
1483 and insert:

1484                           A bill to be entitled  
1485           An act relating to insurance; amending s. 215.555,  
1486           F.S.; deleting the future repeal of an exemption of  
1487           medical malpractice insurance premiums from emergency  
1488           assessments imposed to fund certain obligations,  
1489           costs, and expenses of the Florida Hurricane  
1490           Catastrophe Fund and the Florida Hurricane Catastrophe  
1491           Fund Finance Corporation; amending s. 316.646, F.S.;



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1492 authorizing a uniform motor vehicle proof-of-insurance  
1493 card to be in an electronic format; providing  
1494 construction with respect to the parameters of a  
1495 person's consent to access information on an  
1496 electronic device presented to provide proof of  
1497 insurance; providing immunity from liability to a law  
1498 enforcement officer for damage to an electronic device  
1499 presented to provide proof of insurance; authorizing  
1500 the Department of Highway Safety and Motor Vehicles to  
1501 adopt rules; amending s. 320.02, F.S.; authorizing  
1502 insurers to furnish uniform proof-of-purchase cards in  
1503 an electronic format for use by insureds to prove the  
1504 purchase of required insurance coverage when  
1505 registering a motor vehicle; amending s. 554.1021,  
1506 F.S.; defining the term "authorized inspection  
1507 agency"; amending s. 554.107, F.S.; requiring the  
1508 chief inspector of the state boiler inspection program  
1509 to issue a certificate of competency as a special  
1510 inspector to certain individuals; specifying how long  
1511 such certificate remains in effect; amending s.  
1512 554.109, F.S.; authorizing specified insurers to  
1513 contract with an authorized inspection agency for  
1514 boiler inspections; requiring such insurers to  
1515 annually report the identity of contracted authorized  
1516 inspection agencies to the Department of Financial  
1517 Services; amending s. 624.413, F.S.; revising a  
1518 specified time period applicable to a certified  
1519 examination that must be filed by a foreign or alien  
1520 insurer applying for a certificate of authority;



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1521 amending s. 626.0428, F.S.; requiring each insurance  
1522 agency to be under the control of an agent licensed to  
1523 transact certain lines of insurance; authorizing an  
1524 agent to be in charge of more than one branch office  
1525 under certain circumstances; providing requirements  
1526 relating to the designation of an agent in charge;  
1527 prohibiting an insurance agency from conducting  
1528 insurance business at a location without a designated  
1529 agent in charge; providing a definition for the term  
1530 "agent in charge"; providing that the designated agent  
1531 in charge is liable for certain acts of misconduct;  
1532 providing grounds for the Department of Financial  
1533 Services to order operations to cease at certain  
1534 insurance agency locations until an agent in charge is  
1535 properly designated; amending s. 626.112, F.S.;  
1536 providing licensure exemptions that allow specified  
1537 individuals or entities to conduct insurance business  
1538 at specified locations under certain circumstances;  
1539 revising licensure requirements and penalties with  
1540 respect to registered insurance agencies; providing  
1541 that the registration of an approved registered  
1542 insurance agency automatically converts to an  
1543 insurance agency license on a specified date; amending  
1544 s. 626.172, F.S.; revising requirements relating to  
1545 applications for insurance agency licenses; conforming  
1546 provisions to changes made by the act; amending s.  
1547 626.321, F.S.; providing that a limited license to  
1548 offer motor vehicle rental insurance issued to a  
1549 business that rents or leases motor vehicles



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1550 encompasses the employees of such business; amending  
1551 s. 626.382, F.S.; providing that an insurance agency  
1552 license continues in force until canceled, suspended,  
1553 revoked, or terminated; amending s. 626.601, F.S.;  
1554 revising terminology relating to investigations  
1555 conducted by the Department of Financial Services and  
1556 the Office of Insurance Regulation with respect to  
1557 individuals and entities involved in the insurance  
1558 industry; repealing s. 626.747, F.S., relating to  
1559 branch agencies, agents in charge, and the payment of  
1560 additional county tax under certain circumstances;  
1561 amending s. 626.8411, F.S.; conforming a cross-  
1562 reference; amending s. 626.9914, F.S.; conforming a  
1563 provision to changes made by the act; repealing s.  
1564 626.99175, F.S., relating to the registration of life  
1565 expectancy providers; amending ss. 626.9919, 626.992,  
1566 626.9925, and 626.99278, F.S.; conforming provisions  
1567 to changes made by the act; amending s. 627.062, F.S.;  
1568 requiring the Office of Insurance Regulation to use  
1569 certain models or straight averages of certain models  
1570 to estimate hurricane losses when determining whether  
1571 the rates in a rate filing are excessive, inadequate,  
1572 or unfairly discriminatory; amending s. 627.0628,  
1573 F.S.; increasing the length of time during which an  
1574 insurer must adhere to certain findings made by the  
1575 Commission on Hurricane Loss Projection Methodology  
1576 with respect to certain methods, principles,  
1577 standards, models, or output ranges used in a rate  
1578 finding; providing that the requirement to adhere to



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1579 such findings does not limit an insurer from using a  
1580 straight average of results of certain models or  
1581 output ranges under specified circumstances; amending  
1582 s. 627.072, F.S.; authorizing retrospective rating  
1583 plans relating to workers' compensation and employer's  
1584 liability insurance to allow negotiations between  
1585 certain employers and insurers with respect to rating  
1586 factors used to calculate premiums; amending s.  
1587 627.281, F.S.; conforming a cross-reference; repealing  
1588 s. 627.3519, F.S., relating to an annual report from  
1589 the Financial Services Commission to the Legislature  
1590 of aggregate net probable maximum losses, financing  
1591 options, and potential assessments of the Florida  
1592 Hurricane Catastrophe Fund and Citizens Property  
1593 Insurance Corporation; amending s. 627.4133, F.S.;  
1594 increasing the amount of prior notice required with  
1595 respect to the nonrenewal, cancellation, or  
1596 termination of certain insurance policies; deleting  
1597 certain provisions that require extended periods of  
1598 prior notice with respect to the nonrenewal,  
1599 cancellation, or termination of certain insurance  
1600 policies; prohibiting the cancellation of certain  
1601 policies that have been in effect for a specified  
1602 amount of time except under certain circumstances;  
1603 amending s. 627.4137, F.S.; adding licensed company  
1604 adjusters to the list of persons who may respond to a  
1605 claimant's written request for information relating to  
1606 liability insurance coverage; amending s. 627.421,  
1607 F.S.; authorizing the electronic delivery of certain





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1608 insurance documents; amending s. 627.43141, F.S.;

1609 authorizing a notice of change in policy terms to be

1610 sent in a separate mailing to an insured under certain

1611 circumstances; requiring an insurer to provide such

1612 notice to insured's insurance agent; amending s.

1613 627.701, F.S.; revising requirements to issue or renew

1614 personal lines residential property insurance after a

1615 certain date; amending s. 627.7015, F.S.; revising the

1616 rulemaking authority of the department with respect to

1617 qualifications and specified types of penalties

1618 covered under the property insurance mediation

1619 program; creating s. 627.70151, F.S.; providing

1620 criteria for an insurer or policyholder to challenge

1621 the impartiality of a loss appraisal umpire for

1622 purposes of disqualifying such umpire; amending s.

1623 627.706, F.S.; revising the definition of the term

1624 "neutral evaluator"; amending s. 627.7074, F.S.;

1625 requiring the department to adopt rules relating to

1626 the certification of neutral evaluators; amending s.

1627 627.736, F.S.; revising the time period for

1628 applicability of certain Medicare fee schedules or

1629 payment limitations; amending s. 627.745, F.S.;

1630 revising qualifications for approval as a mediator by

1631 the department; providing grounds for the department

1632 to deny an application, or suspend or revoke approval

1633 of a mediator or certification of a neutral evaluator;

1634 authorizing the department to adopt rules; amending s.

1635 627.952, F.S.; providing that certain persons who are

1636 not residents of this state must be licensed and



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1637 appointed as nonresident surplus lines agents in this  
1638 state in order to engage in specified activities with  
1639 respect to servicing insurance contracts,  
1640 certificates, or agreements for purchasing or risk  
1641 retention groups; deleting a fidelity bond requirement  
1642 applicable to certain nonresident agents who are  
1643 licensed as surplus lines agents in another state;  
1644 amending ss. 627.971 and 627.972, F.S.; including  
1645 licensed mutual insurers in financial guaranty  
1646 insurance corporations; amending s. 628.901, F.S.;  
1647 revising the definition of the term "qualifying  
1648 reinsurer parent company"; amending s. 628.909, F.S.;  
1649 providing for applicability of certain provisions of  
1650 the Insurance Code to specified captive insurers;  
1651 amending s. 634.406, F.S.; revising criteria  
1652 authorizing premiums of certain service warranty  
1653 associations to exceed their specified net assets  
1654 limitations; revising requirements relating to  
1655 contractual liability policies that insure warranty  
1656 associations; providing an effective date.