



460094

LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
03/19/2014	.	
	.	
	.	
	.	

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

Senate Amendment (with title amendment)

Delete everything after the enacting clause
and insert:

Section 1. Paragraphs (a) and (c) of subsection (6) and subsections (7) and (8) of section 624.501, Florida Statutes, are amended to read:

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



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11 in advance, fees, licenses, and miscellaneous charges as
12 follows:

13 (6) Insurance representatives, property, marine, casualty,
14 and surety insurance.

15 (a) Agent's original appointment and biennial renewal or
16 continuation thereof, each insurer or unaffiliated agent making
17 an appointment:

18 Appointment fee.....	\$42.00
19 State tax.....	12.00
20 County tax.....	6.00
21 Total.....	\$60.00

22 (c) Nonresident agent's original appointment and biennial
23 renewal or continuation thereof, appointment fee, each insurer
24 or unaffiliated agent making an appointment.....\$60.00

25 (7) Life insurance agents.

26 (a) Agent's original appointment and biennial renewal or
27 continuation thereof, each insurer or unaffiliated agent making
28 an appointment:

29 Appointment fee.....	\$42.00
30 State tax.....	12.00
31 County tax.....	6.00
32 Total.....	\$60.00

33 (b) Nonresident agent's original appointment and biennial
34 renewal or continuation thereof, appointment fee, each insurer
35 or unaffiliated agent making an appointment.....\$60.00

36 (8) Health insurance agents.

37 (a) Agent's original appointment and biennial renewal or
38 continuation thereof, each insurer or unaffiliated agent making
39 an appointment:



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40	Appointment fee.....	\$42.00
41	State tax.....	12.00
42	County tax.....	6.00
43	Total.....	\$60.00

44 (b) Nonresident agent's original appointment and biennial
45 renewal or continuation thereof, appointment fee, each insurer
46 or unaffiliated agent making an appointment.....\$60.00

47 Section 2. Present subsection (18) of section 626.015,
48 Florida Statutes, is renumbered as subsection (19), and a new
49 subsection (18) is added to that section, to read:

50 626.015 Definitions.—As used in this part:

51 (18) "Unaffiliated insurance agent" means a licensed
52 insurance agent, except a limited lines agent, who is self-
53 appointed and who practices as an independent consultant in the
54 business of analyzing or abstracting insurance policies,
55 providing insurance advice or counseling, or making specific
56 recommendations or comparisons of insurance products for a fee
57 established in advance by written contract signed by the
58 parties. An unaffiliated insurance agent may not be affiliated
59 with an insurer, insurer-appointed insurance agent, or insurance
60 agency contracted with or employing insurer-appointed insurance
61 agents.

62 Section 3. Effective January 1, 2015, section 626.0428,
63 Florida Statutes, is amended to read:

64 626.0428 Agency personnel powers, duties, and limitations.—

65 (1) An individual employed by an agent or agency on salary
66 who devotes full time to clerical work, with incidental taking
67 of insurance applications or quoting or receiving premiums on
68 incoming inquiries in the office of the agent or agency, is not



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69 deemed to be an agent or customer representative if his or her
70 compensation does not include in whole or in part any
71 commissions on such business and is not related to the
72 production of applications, insurance, or premiums.

73 (2) An employee or authorized representative located at a
74 designated branch of an agent or agency may not bind insurance
75 coverage unless licensed and appointed as an agent or customer
76 representative.

77 (3) An employee or authorized representative of an agent or
78 agency may not initiate contact with any person for the purpose
79 of soliciting insurance unless licensed and appointed as an
80 agent or customer representative. As to title insurance, an
81 employee of an agent or agency may not initiate contact with any
82 individual proposed insured for the purpose of soliciting title
83 insurance unless licensed as a title insurance agent or exempt
84 from such licensure pursuant to s. 626.8417(4).

85 (4) (a) Each place of business established by an agent or
86 agency, firm, corporation, or association must be in the active
87 full-time charge of a licensed and appointed agent holding the
88 required agent licenses to transact the lines of insurance being
89 handled at the location.

90 (b) Notwithstanding paragraph (a), the licensed agent in
91 charge of an insurance agency may also be the agent in charge of
92 additional branch office locations of the agency if insurance
93 activities requiring licensure as an insurance agent do not
94 occur at any location when an agent is not physically present
95 and unlicensed employees at the location do not engage in
96 insurance activities requiring licensure as an insurance agent
97 or customer representative.



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98 (c) An insurance agency and each branch place of business
99 of an insurance agency shall designate an agent in charge and
100 file the name and license number of the agent in charge and the
101 physical address of the insurance agency location with the
102 department and the department's website. The designation of the
103 agent in charge may be changed at the option of the agency. A
104 change of the designated agent in charge is effective upon
105 notice to the department. Notice to the department must be
106 provided within 30 days after such change.

107 (d) An insurance agency location may not conduct the
108 business of insurance unless an agent in charge is designated by
109 and providing services to the agency at all times. If the agent
110 in charge designated with the department ends his or her
111 affiliation with the agency for any reason and the agency fails
112 to designate another agent in charge within 30 days as provided
113 in paragraph (c) and such failure continues for 90 days, the
114 agency license automatically expires on the 91st day after the
115 last date of employment of the last designated agent in charge.

116 (e) For purposes of this subsection, an "agent in charge"
117 is the licensed and appointed agent responsible for the
118 supervision of all individuals within an insurance agency
119 location, regardless of whether the agent in charge handles a
120 specific transaction or deals with the general public in the
121 solicitation or negotiation of insurance contracts or the
122 collection or accounting of money.

123 (f) An agent in charge of an insurance agency is
124 accountable for the wrongful acts, misconduct, or violations of
125 this code committed by the licensee or by any person under his
126 or her supervision while acting on behalf of the agency.



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127 However, an agent in charge is not criminally liable for any act
128 unless the agent in charge personally committed the act or knew
129 or should have known of the act and of the facts constituting a
130 violation of this code.

131 Section 4. Paragraph (b) of subsection (1) and subsection
132 (7) of section 626.112, Florida Statutes, is amended to read:

133 626.112 License and appointment required; agents, customer
134 representatives, adjusters, insurance agencies, service
135 representatives, managing general agents.—

136 (1)

137 (b) Except as provided in subsection (6) or in applicable
138 department rules, and in addition to other conduct described in
139 this chapter with respect to particular types of agents, a
140 license as an insurance agent, service representative, customer
141 representative, or limited customer representative is required
142 in order to engage in the solicitation of insurance. Effective
143 October 1, 2014, limited customer representative licenses may
144 not be issued. For purposes of this requirement, as applicable
145 to ~~any of~~ the license types described in this section, the
146 solicitation of insurance is the attempt to persuade any person
147 to purchase an insurance product by:

148 1. Describing the benefits or terms of insurance coverage,
149 including premiums or rates of return;

150 2. Distributing an invitation to contract to prospective
151 purchasers;

152 3. Making general or specific recommendations as to
153 insurance products;

154 4. Completing orders or applications for insurance
155 products;



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156 5. Comparing insurance products, advising as to insurance
157 matters, or interpreting policies or coverages; or
158 6. Offering or attempting to negotiate on behalf of another
159 person a viatical settlement contract as defined in s. 626.9911.
160
161 However, an employee leasing company licensed under ~~pursuant to~~
162 chapter 468 which is seeking to enter into a contract with an
163 employer that identifies products and services offered to
164 employees may deliver proposals for the purchase of employee
165 leasing services to prospective clients of the employee leasing
166 company setting forth the terms and conditions of doing
167 business; classify employees as permitted by s. 468.529; collect
168 information from prospective clients and other sources as
169 necessary to perform due diligence on the prospective client and
170 to prepare a proposal for services; provide and receive
171 enrollment forms, plans, and other documents; and discuss or
172 explain in general terms the conditions, limitations, options,
173 or exclusions of insurance benefit plans available to the client
174 or employees of the employee leasing company were the client to
175 contract with the employee leasing company. Any advertising
176 materials or other documents describing specific insurance
177 coverages must identify and be from a licensed insurer or its
178 licensed agent or a licensed and appointed agent employed by the
179 employee leasing company. The employee leasing company may not
180 advise or inform the prospective business client or individual
181 employees of specific coverage provisions, exclusions, or
182 limitations of particular plans. As to clients for which the
183 employee leasing company is providing services pursuant to s.
184 468.525(4), the employee leasing company may engage in



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185 activities permitted by ss. 626.7315, 626.7845, and 626.8305,
186 subject to the restrictions specified in those sections. If a
187 prospective client requests more specific information concerning
188 the insurance provided by the employee leasing company, the
189 employee leasing company must refer the prospective business
190 client to the insurer or its licensed agent or to a licensed and
191 appointed agent employed by the employee leasing company.

192 Section 5. Effective January 1, 2015, subsection (7) of
193 section 626.112, Florida Statutes, is amended to read:

194 626.112 License and appointment required; agents, customer
195 representatives, adjusters, insurance agencies, service
196 representatives, managing general agents.-

197 (7) (a) An ~~Effective October 1, 2006, no~~ individual, firm,
198 partnership, corporation, association, or ~~any~~ other entity may
199 not shall act in its own name or under a trade name, directly or
200 indirectly, as an insurance agency, ~~unless it possesses~~ complies
201 with s. 626.172 with respect to possessing an insurance agency
202 license issued pursuant to s. 626.172 for each place of business
203 at which it engages in ~~any~~ activity that which may be performed
204 only by a licensed insurance agent. However, an insurance agency
205 that is owned and operated by a single licensed agent conducting
206 business in his or her individual name and not employing or
207 otherwise using the services of or appointing other licensees is
208 exempt from the agency licensing requirements of this
209 subsection.

210 (b) A branch place of business which is established by a
211 licensed agency is considered a branch agency and is not
212 required to be licensed if it transacts business under the same
213 name and federal tax identification number as the licensed



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214 agency, has designated a licensed agent in charge of the
215 location as required by s. 626.0428, and has submitted the
216 address and telephone number of the location to the department
217 for inclusion in the licensing record of the licensed agency
218 within 30 days after insurance transactions begin at the
219 location ~~Each agency engaged in business in this state before~~
220 ~~January 1, 2003, which is wholly owned by insurance agents~~
221 ~~currently licensed and appointed under this chapter, each~~
222 ~~incorporated agency whose voting shares are traded on a~~
223 ~~securities exchange, each agency designated and subject to~~
224 ~~supervision and inspection as a branch office under the rules of~~
225 ~~the National Association of Securities Dealers, and each agency~~
226 ~~whose primary function is offering insurance as a service or~~
227 ~~member benefit to members of a nonprofit corporation may file an~~
228 ~~application for registration in lieu of licensure in accordance~~
229 ~~with s. 626.172(3). Each agency engaged in business before~~
230 ~~October 1, 2006, shall file an application for licensure or~~
231 ~~registration on or before October 1, 2006.~~

232 (c)1. If an agency is required to be licensed but fails to
233 file an application for licensure in accordance with this
234 section, the department shall impose on the agency an
235 administrative penalty ~~in an amount~~ of up to \$10,000.

236 ~~2. If an agency is eligible for registration but fails to~~
237 ~~file an application for registration or an application for~~
238 ~~licensure in accordance with this section, the department shall~~
239 ~~impose on the agency an administrative penalty in an amount of~~
240 ~~up to \$5,000.~~

241 (d)(b) Effective October 1, 2015, the department must
242 automatically convert the registration of an approved a



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243 registered insurance agency to shall, as a condition precedent
244 ~~to continuing business, obtain~~ an insurance agency license if
245 ~~the department finds that, with respect to any majority owner,~~
246 ~~partner, manager, director, officer, or other person who manages~~
247 ~~or controls the agency, any person has:~~

248 1. ~~Been found guilty of, or has pleaded guilty or nolo~~
249 ~~contendere to, a felony in this state or any other state~~
250 ~~relating to the business of insurance or to an insurance agency,~~
251 ~~without regard to whether a judgment of conviction has been~~
252 ~~entered by the court having jurisdiction of the cases.~~

253 2. ~~Employed any individual in a managerial capacity or in a~~
254 ~~capacity dealing with the public who is under an order of~~
255 ~~revocation or suspension issued by the department. An insurance~~
256 ~~agency may request, on forms prescribed by the department,~~
257 ~~verification of any person's license status. If a request is~~
258 ~~mailed within 5 working days after an employee is hired, and the~~
259 ~~employee's license is currently suspended or revoked, the agency~~
260 ~~shall not be required to obtain a license, if the unlicensed~~
261 ~~person's employment is immediately terminated.~~

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

264 4. ~~With such frequency as to have made the operation of the~~
265 ~~agency hazardous to the insurance-buying public or other~~
266 ~~persons:~~

267 a. ~~Solicited or handled controlled business. This~~
268 ~~subparagraph shall not prohibit the licensing of any lending or~~
269 ~~financing institution or creditor, with respect to insurance~~
270 ~~only, under credit life or disability insurance policies of~~
271 ~~borrowers from the institutions, which policies are subject to~~



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272 ~~part IX of chapter 627.~~

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

276 ~~e. Unlawfully rebated, attempted to unlawfully rebate, or~~
277 ~~unlawfully divided or offered to divide commissions with~~
278 ~~another.~~

279 ~~d. Misrepresented any insurance policy or annuity contract,~~
280 ~~or used deception with regard to any policy or contract, done~~
281 ~~either in person or by any form of dissemination of information~~
282 ~~or advertising.~~

283 ~~e. Violated any provision of this code or any other law~~
284 ~~applicable to the business of insurance in the course of dealing~~
285 ~~under the license.~~

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

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

290 ~~h. Violated the provision against twisting as defined in s.~~
291 ~~626.9541(1)(l).~~

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

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

296 ~~k. Engaged in fraudulent or dishonest practices in the~~
297 ~~conduct of business arising out of activities related to~~
298 ~~insurance or the insurance agency.~~

299 ~~l. Demonstrated lack of fitness or trustworthiness to~~
300 ~~engage in the business of insurance arising out of activities~~



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301 ~~related to insurance or the insurance agency.~~

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

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

307 ~~6. Willfully circumvented the requirements or prohibitions~~
308 ~~of this code.~~

309 Section 6. Subsections (2), (3), and (4) of section
310 626.172, Florida Statutes, are amended to read:

311 626.172 Application for insurance agency license.—

312 (2) An application for an insurance agency license must
313 ~~shall~~ be signed by an individual required to be listed in the
314 application under paragraph (a) the owner or owners of the
315 agency. If the agency is incorporated, the application shall be
316 signed by the president and secretary of the corporation. An
317 insurance agency may allow a third party to complete, submit,
318 and sign an application on the insurance agency's behalf, but
319 the insurance agency is responsible for ensuring that the
320 information on the application is true and correct and is
321 accountable for any misstatements or misrepresentations. The
322 application for an insurance agency license must shall include:

323 (a) The name of each ~~majority~~ owner, partner, officer, ~~and~~
324 director, president, senior vice president, secretary,
325 treasurer, and limited liability company member, who directs or
326 participates in the management or control of the insurance
327 agency, whether through ownership of voting securities, by
328 contract, by ownership of an agency bank account, or otherwise.

329 (b) The residence address of each person required to be



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330 listed in the application under paragraph (a).

331 (c) The name, principal business street address, and e-mail
332 address of the insurance agency and the name, address, and e-
333 mail address of the agency's registered agent or person or
334 company authorized to accept service on behalf of the agency ~~its~~
335 ~~principal business address.~~

336 (d) The name, physical address, e-mail address, and
337 telephone number ~~location~~ of each branch agency and the date
338 that the branch location begins transacting insurance ~~office and~~
339 ~~the name under which each agency office conducts or will conduct~~
340 ~~business.~~

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

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

345 1. A sole proprietor;

346 2. Each individual required to be listed in the application
347 under paragraph (a) ~~partner; and~~

348 ~~3. Each owner of an unincorporated agency;~~

349 ~~3.4.~~ Each individual owner who directs or participates in
350 the management or control of an incorporated agency whose shares
351 are not traded on a securities exchange;

352 ~~5. The president, senior vice presidents, treasurer,~~
353 ~~secretary, and directors of the agency; and~~

354 ~~6. Any other person who directs or participates in the~~
355 ~~management or control of the agency, whether through the~~
356 ~~ownership of voting securities, by contract, or otherwise.~~

357
358 Fingerprints must be taken by a law enforcement agency or other



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359 entity approved by the department and must be accompanied by the
360 fingerprint processing fee specified in s. 624.501. Fingerprints
361 must ~~shall~~ be processed in accordance with s. 624.34. However,
362 fingerprints need not be filed for an ~~any~~ individual who is
363 currently licensed and appointed under this chapter. This
364 paragraph does not apply to corporations whose voting shares are
365 traded on a securities exchange.

366 (g) Such additional information as the department requires
367 by rule to ascertain the trustworthiness and competence of
368 persons required to be listed on the application and to
369 ascertain that such persons meet the requirements of this code.
370 However, the department may not require that credit or character
371 reports be submitted for persons required to be listed on the
372 application.

373 ~~(3)(h) Beginning October 1, 2005,~~ The department must ~~shall~~
374 accept the uniform application for nonresident agency licensure.
375 The department may adopt by rule revised versions of the uniform
376 application.

377 ~~(3) The department shall issue a registration as an~~
378 ~~insurance agency to any agency that files a written application~~
379 ~~with the department and qualifies for registration. The~~
380 ~~application for registration shall require the agency to provide~~
381 ~~the same information required for an agency licensed under~~
382 ~~subsection (2), the agent identification number for each owner~~
383 ~~who is a licensed agent, proof that the agency qualifies for~~
384 ~~registration as provided in s. 626.112(7), and any other~~
385 ~~additional information that the department determines is~~
386 ~~necessary in order to demonstrate that the agency qualifies for~~
387 ~~registration. The application must be signed by the owner or~~



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388 ~~owners of the agency. If the agency is incorporated, the~~
389 ~~application must be signed by the president and the secretary of~~
390 ~~the corporation. An agent who owns the agency need not file~~
391 ~~fingerprints with the department if the agent obtained a license~~
392 ~~under this chapter and the license is currently valid.~~

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

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

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

405 (4) The department must ~~shall~~ issue a license ~~or~~
406 ~~registration~~ to each agency upon approval of the application,
407 and each agency location must ~~shall~~ display the license ~~or~~
408 ~~registration~~ prominently in a manner that makes it clearly
409 visible to any customer or potential customer who enters the
410 agency location.

411 Section 7. Present subsection (6) of section 626.311,
412 Florida Statutes, is redesignated as subsection (7), and a new
413 subsection (6) is added to that section, to read:

414 626.311 Scope of license.—

415 (6) An agent who appoints his or her license as an
416 unaffiliated insurance agent may not hold an appointment from an



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417 insurer for any license he or she holds; transact, solicit, or
418 service an insurance contract on behalf of an insurer; interfere
419 with commissions received or to be received by an insurer-
420 appointed insurance agent or an insurance agency contracted with
421 or employing insurer-appointed insurance agents; or receive
422 compensation or any other thing of value from an insurer, an
423 insurer-appointed insurance agent, or an insurance agency
424 contracted with or employing insurer-appointed insurance agents
425 for any transaction or referral occurring after the date of
426 appointment as an unaffiliated insurance agent. An unaffiliated
427 insurance agent may continue to receive commissions on sales
428 that occurred before the date of appointment as an unaffiliated
429 insurance agent if the receipt of such commissions is disclosed
430 when making recommendations or evaluating products for a client
431 that involve products of the entity from which the commissions
432 are received.

433 Section 8. Paragraph (d) of subsection (1) of section
434 626.321, Florida Statutes, is amended to read:

435 626.321 Limited licenses.—

436 (1) The department shall issue to a qualified applicant a
437 license as agent authorized to transact a limited class of
438 business in any of the following categories of limited lines
439 insurance:

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

441 1. License covering only insurance of the risks set forth
442 in this paragraph when offered, sold, or solicited with and
443 incidental to the rental or lease of a motor vehicle and which
444 applies only to the motor vehicle that is the subject of the
445 lease or rental agreement and the occupants of the motor



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446 vehicle:

447 a. Excess motor vehicle liability insurance providing
448 coverage in excess of the standard liability limits provided by
449 the lessor in the lessor's lease to a person renting or leasing
450 a motor vehicle from the licensee's employer for liability
451 arising in connection with the negligent operation of the leased
452 or rented motor vehicle.

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

455 c. Insurance covering the loss of or damage to baggage,
456 personal effects, or travel documents of a person renting or
457 leasing a motor vehicle.

458 d. Insurance covering accidental personal injury or death
459 of the lessee and any passenger who is riding or driving with
460 the covered lessee in the leased or rented motor vehicle.

461 2. Insurance under a motor vehicle rental insurance license
462 may be issued only if the lease or rental agreement is for up to
463 ~~no more than~~ 60 days, the lessee is not provided coverage for
464 more than 60 consecutive days per lease period, and the lessee
465 is given written notice that his or her personal insurance
466 policy providing coverage on an owned motor vehicle may provide
467 coverage of such risks and that the purchase of the insurance is
468 not required in connection with the lease or rental of a motor
469 vehicle. If the lease is extended beyond 60 days, the coverage
470 may be extended ~~one time only~~ once for up to ~~a period not to~~
471 ~~exceed an additional~~ 60 days. Insurance may be provided to the
472 lessee as an additional insured on a policy issued to the
473 licensee's employer.

474 3. The license may be issued only to the full-time salaried



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475 employee of a licensed general lines agent or to a business
476 entity that offers motor vehicles for rent or lease if insurance
477 sales activities authorized by the license are in connection
478 with and incidental to the rental or lease of a motor vehicle.

479 a. A license issued to a business entity that offers motor
480 vehicles for rent or lease encompasses each office, branch
481 office, employee, authorized representative located at a
482 designated branch, or place of business making use of the
483 entity's business name in order to offer, solicit, and sell
484 insurance pursuant to this paragraph.

485 b. The application for licensure must list the name,
486 address, and phone number for each office, branch office, or
487 place of business which ~~that~~ is to be covered by the license.
488 The licensee shall notify the department of the name, address,
489 and phone number of any new location that is to be covered by
490 the license before the new office, branch office, or place of
491 business engages in the sale of insurance pursuant to this
492 paragraph. The licensee must notify the department within 30
493 days after closing or terminating an office, branch office, or
494 place of business. Upon receipt of the notice, the department
495 shall delete the office, branch office, or place of business
496 from the license.

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

499 Section 9. Effective January, 1, 2015, section 626.382,
500 Florida Statutes, is amended to read:

501 626.382 Continuation, expiration of license; insurance
502 agencies.—The license of an ~~any~~ insurance agency ~~shall be issued~~
503 ~~for a period of 3 years and~~ shall continue in force until



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504 canceled, suspended, or ~~revoked,~~ or until it is otherwise
505 terminated or becomes expired by operation of law. ~~A license may~~
506 ~~be renewed by submitting a renewal request to the department on~~
507 ~~a form adopted by department rule.~~

508 Section 10. Section 626.601, Florida Statutes, is amended
509 to read:

510 626.601 Improper conduct; investigation inquiry;
511 fingerprinting.—

512 (1) The department or office may, upon its own motion or
513 upon a written complaint signed by an ~~any~~ interested person and
514 filed with the department or office, inquire into the ~~any~~
515 alleged improper conduct of any licensed, approved, or certified
516 licensee, insurance agency, agent, adjuster, service
517 representative, managing general agent, customer representative,
518 title insurance agent, title insurance agency, mediator, neutral
519 evaluator, navigator, continuing education course provider,
520 instructor, school official, or monitor group under this code.
521 The department or office may thereafter initiate an
522 investigation of ~~any~~ such individual or entity licensee if it
523 has reasonable cause to believe that the individual or entity
524 licensee has violated any provision of the insurance code.

525 During the course of its investigation, the department or office
526 shall contact the individual or entity licensee being
527 investigated unless it determines that contacting such
528 individual or entity person could jeopardize the successful
529 completion of the investigation or cause injury to the public.

530 (2) In the investigation by the department or office of the
531 alleged misconduct, the individual or entity licensee shall, if
532 ~~whenever so~~ required by the department or office, open the



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533 individual's or entity's ~~cause his or her~~ books and records ~~to~~
534 ~~be open~~ for inspection for the purpose of such investigation
535 inquiries.

536 (3) ~~The~~ Complaints against an individual or entity ~~any~~
537 ~~licensee~~ may be informally alleged and are not required to
538 include ~~need not be in any such~~ language ~~as is~~ necessary to
539 charge a crime on an indictment or information.

540 (4) The expense for any hearings or investigations
541 conducted pursuant to this section ~~under this law~~, as well as
542 the fees and mileage of witnesses, may be paid out of the
543 appropriate fund.

544 (5) If the department or office, after investigation, has
545 reason to believe that an individual ~~a licensee~~ may have been
546 found guilty of or pleaded guilty or nolo contendere to a felony
547 or a crime related to the business of insurance in this or any
548 other state or jurisdiction, the department or office may
549 require the individual ~~licensee~~ to file with the department or
550 office a complete set of his or her fingerprints, ~~which shall be~~
551 accompanied by the fingerprint processing fee set forth in s.
552 624.501. The fingerprints shall be taken by an authorized law
553 enforcement agency or other department-approved entity.

554 (6) The complaint and any information obtained pursuant to
555 the investigation by the department or office are confidential
556 and ~~are exempt from the provisions of~~ s. 119.07, unless the
557 department or office files a formal administrative complaint,
558 emergency order, or consent order against the individual or
559 entity ~~licensee~~. ~~Nothing in~~ This subsection does not ~~shall be~~
560 ~~construed to~~ prevent the department or office from disclosing
561 the complaint or such information as it deems necessary to



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562 conduct the investigation, to update the complainant as to the
563 status and outcome of the complaint, or to share such
564 information with any law enforcement agency or other regulatory
565 body.

566 Section 11. Effective January 1, 2015, section 626.747,
567 Florida Statutes, is repealed.

568 Section 12. Effective January 1, 2015, subsection (1) of
569 section 626.8411, Florida Statutes, is amended to read:

570 626.8411 Application of Florida Insurance Code provisions
571 to title insurance agents or agencies.-

572 (1) The following provisions ~~of part II~~ applicable to
573 general lines agents or agencies also apply to title insurance
574 agents or agencies:

575 (a) Section 626.734, relating to liability of certain
576 agents.

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

579 (c) Section 626.749, relating to place of business in
580 residence.

581 (d) Section 626.753, relating to sharing of commissions.

582 (e) Section 626.754, relating to rights of agent following
583 termination of appointment.

584 Section 13. Subsections (14) and (18) of section 626.854,
585 Florida Statutes, are amended to read:

586 626.854 "Public adjuster" defined; prohibitions.-The
587 Legislature finds that it is necessary for the protection of the
588 public to regulate public insurance adjusters and to prevent the
589 unauthorized practice of law.

590 ~~(14) A company employee adjuster, independent adjuster,~~



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591 ~~attorney, investigator, or other persons acting on behalf of an~~
592 ~~insurer that needs access to an insured or claimant or to the~~
593 ~~insured property that is the subject of a claim must provide at~~
594 ~~least 48 hours' notice to the insured or claimant, public~~
595 ~~adjuster, or legal representative before scheduling a meeting~~
596 ~~with the claimant or an onsite inspection of the insured~~
597 ~~property. The insured or claimant may deny access to the~~
598 ~~property if the notice has not been provided. The insured or~~
599 ~~claimant may waive the 48-hour notice.~~

600 ~~(17)-(18) The provisions of Subsections (5)-(16) (5)-(17)~~
601 ~~apply only to residential property insurance policies and~~
602 ~~condominium unit owner policies as defined in s. 718.111(11).~~

603 Section 14. Paragraph (c) of subsection (2) and subsection
604 (3) of section 626.8805, Florida Statutes, are amended to read:

605 626.8805 Certificate of authority to act as administrator.—

606 (2) The administrator shall file with the office an
607 application for a certificate of authority upon a form to be
608 adopted by the commission and furnished by the office, which
609 application shall include or have attached the following
610 information and documents:

611 (c) The names, addresses, official positions, and
612 professional qualifications of the individuals employed or
613 retained by the administrator who are responsible for the
614 conduct of the affairs of the administrator, including all
615 members of the board of directors, board of trustees, executive
616 committee, or other governing board or committee, and the
617 principal officers in the case of a corporation or, the partners
618 or members in the case of a partnership or association, ~~and any~~
619 ~~other person who exercises control or influence over the affairs~~



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620 of the administrator.

621 (3) The applicant shall make available for inspection by
622 the office copies of all contracts relating to services provided
623 by the administrator to ~~with~~ insurers or other persons using
624 utilizing the services of the administrator.

625 Section 15. Subsections (1) and (3) of section 626.8817,
626 Florida Statutes, are amended to read:

627 626.8817 Responsibilities of insurance company with respect
628 to administration of coverage insured.—

629 (1) If an insurer uses the services of an administrator,
630 the insurer is responsible for determining the benefits, premium
631 rates, underwriting criteria, and claims payment procedures
632 applicable to the coverage and for securing reinsurance, if any.
633 The rules pertaining to these matters shall be provided, in
634 writing, by the insurer or its designee to the administrator.
635 The responsibilities of the administrator as to any of these
636 matters shall be set forth in a ~~the~~ written agreement binding
637 upon ~~between~~ the administrator and the insurer.

638 (3) If ~~In cases in which~~ an administrator administers
639 benefits for more than 100 certificateholders on behalf of an
640 insurer, the insurer shall, at least semiannually, conduct a
641 review of the operations of the administrator. At least one such
642 review must be an onsite audit of the operations of the
643 administrator. The insurer may contract with a qualified third
644 party to conduct such review.

645 Section 16. Subsections (1) and (4) of section 626.882,
646 Florida Statutes, are amended to read:

647 626.882 Agreement between administrator and insurer;
648 required provisions; maintenance of records.—



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649 (1) ~~A No~~ person may not act as an administrator without a
650 written agreement, as required under s. 626.8817, which
651 specifies the rights, duties, and obligations of the between
652 ~~such person as~~ administrator and ~~an~~ insurer.

653 (4) If a policy is issued to a trustee or trustees, a copy
654 of the trust agreement and any amendments to that agreement
655 shall be furnished to the insurer or its designee by the
656 administrator and shall be retained as part of the official
657 records of both the administrator and the insurer for the
658 duration of the policy and for 5 years thereafter.

659 Section 17. Subsections (3), (4), and (5) of section
660 626.883, Florida Statutes, are amended to read:

661 626.883 Administrator as intermediary; collections held in
662 fiduciary capacity; establishment of account; disbursement;
663 payments on behalf of insurer.—

664 (3) If charges or premiums deposited in a fiduciary account
665 have been collected on behalf of or for more than one insurer,
666 the administrator shall keep records clearly recording the
667 deposits in and withdrawals from such account on behalf of or
668 for each insurer. The administrator shall, upon request of an
669 insurer or its designee, furnish such insurer or designee with
670 copies of records pertaining to deposits and withdrawals on
671 behalf of or for such insurer.

672 (4) The administrator may not pay any claim by withdrawals
673 from a fiduciary account. Withdrawals from such account shall be
674 made as provided in the written agreement required under ss.
675 626.8817 and 626.882 between the administrator and the insurer
676 for any of the following:

677 (a) Remittance to an insurer entitled to such remittance.



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678 (b) Deposit in an account maintained in the name of such
679 insurer.

680 (c) Transfer to and deposit in a claims-paying account,
681 with claims to be paid as provided by such insurer.

682 (d) Payment to a group policyholder for remittance to the
683 insurer entitled to such remittance.

684 (e) Payment to the administrator of the commission, fees,
685 or charges of the administrator.

686 (f) Remittance of return premium to the person or persons
687 entitled to such ~~return~~ premium.

688 (5) All claims paid by the administrator from funds
689 collected on behalf of the insurer shall be paid only on drafts
690 of, and as authorized by, such insurer or its designee.

691 Section 18. Subsection (3) of section 626.884, Florida
692 Statutes, is amended to read:

693 626.884 Maintenance of records by administrator; access;
694 confidentiality.—

695 (3) The insurer shall retain the right of continuing access
696 to books and records maintained by the administrator sufficient
697 to permit the insurer to fulfill all of its contractual
698 obligations to insured persons, subject to any restrictions in
699 the written agreement pertaining to ~~between the insurer and the~~
700 ~~administrator on~~ the proprietary rights of the parties in such
701 books and records.

702 Section 19. Subsections (1) and (2) of section 626.89,
703 Florida Statutes, are amended to read:

704 626.89 Annual financial statement and filing fee; notice of
705 change of ownership.—

706 (1) Each authorized administrator shall annually file with



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707 the office a full and true statement of its financial condition,
708 transactions, and affairs within 3 months after the end of the
709 administrator's fiscal year. ~~The statement shall be filed~~
710 ~~annually on or before March 1~~ or within such extension of time
711 ~~therefor~~ as the office for good cause may have granted. The
712 statement must ~~and shall~~ be for the preceding fiscal calendar
713 year and must. ~~The statement shall~~ be in such form and contain
714 such matters as the commission prescribes and must ~~shall~~ be
715 verified by at least two officers of the ~~such~~ administrator. ~~An~~
716 ~~administrator whose sole stockholder is an association~~
717 ~~representing health care providers which is not an affiliate of~~
718 ~~an insurer, an administrator of a pooled governmental self-~~
719 ~~insurance program, or an administrator that is a university may~~
720 ~~submit the preceding fiscal year's statement within 2 months~~
721 ~~after its fiscal year end.~~

722 (2) Each authorized administrator shall also file an
723 audited financial statement performed by an independent
724 certified public accountant. The audited financial statement
725 shall be filed with the office within 5 months after the end of
726 the administrator's fiscal year and be ~~on or before June 1~~ for
727 the preceding fiscal calendar year ending ~~December 31~~. An
728 ~~administrator whose sole stockholder is an association~~
729 ~~representing health care providers which is not an affiliate of~~
730 ~~an insurer, an administrator of a pooled governmental self-~~
731 ~~insurance program, or an administrator that is a university may~~
732 ~~submit the preceding fiscal year's audited financial statement~~
733 ~~within 5 months after the end of its fiscal year.~~ An audited
734 financial statement prepared on a consolidated basis must
735 include a columnar consolidating or combining worksheet that



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736 must be filed with the statement and must comply with the
737 following:

738 (a) Amounts shown on the consolidated audited financial
739 statement must be shown on the worksheet;

740 (b) Amounts for each entity must be stated separately; and

741 (c) Explanations of consolidating and eliminating entries
742 must be included.

743 Section 20. Section 626.931, Florida Statutes, is amended
744 to read:

745 626.931 ~~Agent affidavit and Insurer reporting~~
746 requirements.-

747 ~~(1) Each surplus lines agent shall on or before the 45th~~
748 ~~day following each calendar quarter file with the Florida~~
749 ~~Surplus Lines Service Office an affidavit, on forms as~~
750 ~~prescribed and furnished by the Florida Surplus Lines Service~~
751 ~~Office, stating that all surplus lines insurance transacted by~~
752 ~~him or her during such calendar quarter has been submitted to~~
753 ~~the Florida Surplus Lines Service Office as required.~~

754 ~~(2) The affidavit of the surplus lines agent shall include~~
755 ~~efforts made to place coverages with authorized insurers and the~~
756 ~~results thereof.~~

757 (1)~~(3)~~ Each foreign insurer accepting premiums shall, on or
758 before the end of the month following each calendar quarter,
759 file with the Florida Surplus Lines Service Office a verified
760 report of all surplus lines insurance transacted by such insurer
761 for insurance risks located in this state during the ~~such~~
762 calendar quarter.

763 (2)~~(4)~~ Each alien insurer accepting premiums shall, on or
764 before June 30 of each year, file with the Florida Surplus Lines



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765 Service Office a verified report of all surplus lines insurance
766 transacted by such insurer for insurance risks located in this
767 state during the preceding calendar year.

768 (3)~~(5)~~ The department may waive the filing requirements
769 described in subsections (1) ~~(3)~~ and (2) ~~(4)~~.

770 (4)~~(6)~~ Each insurer's report and supporting information
771 shall be in a computer-readable format as determined by the
772 Florida Surplus Lines Service Office or ~~shall~~ be submitted on
773 forms prescribed by the Florida Surplus Lines Service Office and
774 ~~shall~~ show for each applicable agent:

775 (a) A listing of all policies, certificates, cover notes,
776 or other forms of confirmation of insurance coverage or any
777 substitutions thereof or endorsements thereto and the
778 identifying number; and

779 (b) Any additional information required by the department
780 or Florida Surplus Lines Service Office.

781 Section 21. Paragraph (a) of subsection (2) of section
782 626.932, Florida Statutes, is amended to read:

783 626.932 Surplus lines tax.—

784 (2) (a) The surplus lines agent shall make payable to the
785 department the tax related to each calendar quarter's business
786 as reported to the Florida Surplus Lines Service Office, and
787 remit the tax to the Florida Surplus Lines Service Office on or
788 before the 45th day after each calendar quarter ~~at the same time~~
789 ~~as provided for the filing of the quarterly affidavit, under s.~~
790 ~~626.931.~~ The Florida Surplus Lines Service Office shall forward
791 to the department the taxes and any interest collected pursuant
792 to paragraph (b), within 10 days after ~~of~~ receipt.

793 Section 22. Subsection (1) of section 626.935, Florida



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794 Statutes, is amended to read:

795 626.935 Suspension, revocation, or refusal of surplus lines
796 agent's license.—

797 (1) The department shall deny an application for, suspend,
798 revoke, or refuse to renew the appointment of a surplus lines
799 agent and all other licenses and appointments held by the
800 licensee under this code, on any of the following grounds:

801 (a) Removal of the licensee's office from the licensee's
802 state of residence.

803 (b) Removal of the accounts and records of his or her
804 surplus lines business from this state or the licensee's state
805 of residence during the period when such accounts and records
806 are required to be maintained under s. 626.930.

807 (c) Closure of the licensee's office for more than 30
808 consecutive days.

809 ~~(d) Failure to make and file his or her affidavit or~~
810 ~~reports when due as required by s. 626.931.~~

811 (d)~~(e)~~ Failure to pay the tax or service fee on surplus
812 lines premiums, as provided in the Surplus Lines Law.

813 (e)~~(f)~~ Suspension, revocation, or refusal to renew or
814 continue the license or appointment as a general lines agent,
815 service representative, or managing general agent.

816 (f)~~(g)~~ Lack of qualifications as for an original surplus
817 lines agent's license.

818 (g)~~(h)~~ Violation of this Surplus Lines Law.

819 (h)~~(i)~~ ~~For~~ Any other applicable cause for which the license
820 of a general lines agent could be suspended, revoked, or refused
821 under s. 626.611 or s. 626.621.

822 Section 23. Subsection (1) of section 626.936, Florida



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823 Statutes, is amended to read:

824 626.936 Failure to file reports or pay tax or service fee;
825 administrative penalty.—

826 (1) A ~~Any~~ licensed surplus lines agent who neglects to file
827 a report ~~or an affidavit~~ in the form and within the time
828 required under ~~or provided for in~~ the Surplus Lines Law may be
829 fined up to \$50 per day for each day the neglect continues,
830 beginning the day after the report ~~or affidavit~~ was due until
831 the date the report ~~or affidavit~~ is received. All sums collected
832 under this section shall be deposited into the Insurance
833 Regulatory Trust Fund.

834 Section 24. Paragraph (q) of subsection (1) of section
835 626.9541, Florida Statutes, is amended to read:

836 626.9541 Unfair methods of competition and unfair or
837 deceptive acts or practices defined.—

838 (1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE
839 ACTS.—The following are defined as unfair methods of competition
840 and unfair or deceptive acts or practices:

841 (q) *Certain insurance transactions through credit card*
842 *facilities prohibited.*—

843 1. Except as provided in subparagraph 3., no person shall
844 knowingly solicit or negotiate ~~any~~ insurance; seek or accept
845 applications for insurance; issue or deliver any policy;
846 receive, collect, or transmit premiums, to or for an ~~any~~
847 insurer; or otherwise transact insurance in this state, or
848 relative to a subject of insurance resident, located, or to be
849 performed in this state, through the arrangement or facilities
850 of a credit card facility or organization, for the purpose of
851 insuring credit card holders or prospective credit card holders.



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852 The term "credit card holder" as used in this paragraph means a
853 ~~any~~ person who may pay the charge for purchases or other
854 transactions through the credit card facility or organization,
855 whose credit with such facility or organization is evidenced by
856 a credit card identifying such person as being one whose charges
857 the credit card facility or organization will pay, and who is
858 identified as such upon the credit card ~~either~~ by name, account
859 number, symbol, insignia, or ~~any~~ other method or device of
860 identification. This subparagraph does not apply as to health
861 insurance or to credit life, credit disability, or credit
862 property insurance.

863 2. If ~~Whenever~~ any person does or performs in this state
864 any of the acts in violation of subparagraph 1. for or on behalf
865 of an ~~any~~ insurer or credit card facility, such insurer or
866 credit card facility shall be deemed ~~held~~ to be doing business
867 in this state and, if an insurer, shall be subject to the same
868 state, county, and municipal taxes as insurers that have been
869 legally qualified and admitted to do business in this state by
870 agents or otherwise are subject, the same to be assessed and
871 collected against such insurers; and such person so doing or
872 performing any of such acts is ~~shall be~~ personally liable for
873 all such taxes.

874 3. A licensed agent or insurer may solicit or negotiate ~~any~~
875 insurance; seek or accept applications for insurance; issue or
876 deliver any policy; receive, collect, or transmit premiums, to
877 or for an ~~any~~ insurer; or otherwise transact insurance in this
878 state, or relative to a subject of insurance resident, located,
879 or to be performed in this state, through the arrangement or
880 facilities of a credit card facility or organization, for the



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881 purpose of insuring credit card holders or prospective credit
882 card holders if:

883 a. The insurance or policy which is the subject of the
884 transaction is noncancelable by any person other than the named
885 insured, the policyholder, or the insurer;

886 ~~b. Any refund of unearned premium is made directly to the~~
887 ~~credit card holder;~~ and

888 ~~b.e.~~ The credit card transaction is authorized by the
889 signature of the credit card holder or other person authorized
890 to sign on the credit card account.

891
892 The conditions enumerated in sub-subparagraphs a. and b. ~~a.-e.~~
893 do not apply to health insurance or to credit life, credit
894 disability, or credit property insurance; and sub-subparagraph
895 b. ~~e.~~ does not apply to property and casualty insurance if so
896 ~~long as~~ the transaction is authorized by the insured.

897 4. No person may use or disclose information resulting from
898 the use of a credit card in conjunction with the purchase of
899 insurance if, ~~when~~ such information is to the advantage of the
900 ~~such~~ credit card facility or an insurance agent, or is to the
901 detriment of the insured or any other insurance agent; except
902 that this provision does not prohibit a credit card facility
903 from using or disclosing such information in a ~~any~~ judicial
904 proceeding or consistent with applicable law on credit
905 reporting.

906 5. ~~No~~ Such insurance may not shall be sold through a credit
907 card facility in conjunction with membership in any automobile
908 club. The term "automobile club" means a legal entity that
909 ~~which,~~ in consideration of dues, assessments, or periodic



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910 payments of money, promises its members or subscribers to assist
911 them in matters relating to the ownership, operation, use, or
912 maintenance of a motor vehicle; however, the term definition of
913 ~~automobile clubs~~ does not include persons, associations, or
914 corporations that ~~which~~ are organized and operated solely for
915 the purpose of conducting, sponsoring, or sanctioning motor
916 vehicle races, exhibitions, or contests upon racetracks, or upon
917 race courses established and marked as such for the duration of
918 such particular event. The words "motor vehicle" used herein
919 shall be the same as defined in chapter 320.

920 Section 25. Paragraph (b) of subsection (2) of section
921 627.062, Florida Statutes, is amended to read:

922 627.062 Rate standards.—

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

924 (b) Upon receiving a rate filing, the office shall review
925 the filing to determine whether the ~~if a~~ rate is excessive,
926 inadequate, or unfairly discriminatory. In making that
927 determination, the office shall, in accordance with generally
928 accepted and reasonable actuarial techniques, consider the
929 following factors:

930 1. Past and prospective loss experience within and without
931 this state.

932 2. Past and prospective expenses.

933 3. The degree of competition among insurers for the risk
934 insured.

935 4. Investment income reasonably expected by the insurer,
936 consistent with the insurer's investment practices, from
937 investable premiums anticipated in the filing, plus any other
938 expected income from currently invested assets representing the



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939 amount expected on unearned premium reserves and loss reserves.
940 The commission may adopt rules using reasonable techniques of
941 actuarial science and economics to specify the manner in which
942 insurers calculate investment income attributable to classes of
943 insurance written in this state and the manner in which
944 investment income is used to calculate insurance rates. Such
945 manner must contemplate allowances for an underwriting profit
946 factor and full consideration of investment income that ~~which~~
947 produce a reasonable rate of return; however, investment income
948 from invested surplus may not be considered.

949 5. The reasonableness of the judgment reflected in the
950 filing.

951 6. Dividends, savings, or unabsorbed premium deposits
952 allowed or returned to Florida policyholders, members, or
953 subscribers.

954 7. The adequacy of loss reserves.

955 8. The cost of reinsurance. The office may not disapprove a
956 rate as excessive solely due to the insurer's ~~insurer~~ having
957 obtained catastrophic reinsurance to cover the insurer's
958 estimated 250-year probable maximum loss or any lower level of
959 loss.

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

962 10. Conflagration and catastrophe hazards, if applicable.

963 11. Projected hurricane losses, if applicable, which must
964 be estimated using a model or method, or a straight average of
965 model results or output ranges, which are independently found to
966 be acceptable or reliable by the Florida Commission on Hurricane
967 Loss Projection Methodology, and as further provided in s.



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968 627.0628.

969 12. A reasonable margin for underwriting profit and
970 contingencies.

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

972 14. Other relevant factors that affect the frequency or
973 severity of claims or expenses.

974 Section 26. Paragraph (d) of subsection (3) of section
975 627.0628, Florida Statutes, is amended to read:

976 627.0628 Florida Commission on Hurricane Loss Projection
977 Methodology; public records exemption; public meetings
978 exemption.—

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

980 (d) With respect to a rate filing under s. 627.062, an
981 insurer shall employ and may not modify or adjust actuarial
982 methods, principles, standards, models, or output ranges found
983 by the commission to be accurate or reliable in determining
984 hurricane loss factors for use in a rate filing under s.

985 627.062. An insurer shall employ and may not modify or adjust
986 models found by the commission to be accurate or reliable in
987 determining probable maximum loss levels pursuant to paragraph
988 (b) with respect to a rate filing under s. 627.062 made more
989 than 180 ~~60~~ days after the commission has made such findings.

990 This paragraph does not prohibit an insurer from using a
991 straight average of model results or output ranges or using
992 straight averages for the purposes of a rate filing under s.
993 627.062.

994 Section 27. Subsection (8) of section 627.0651, Florida
995 Statutes, is amended to read:

996 627.0651 Making and use of rates for motor vehicle



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997 insurance.-

998 (8) Rates are not unfairly discriminatory if averaged
999 broadly among members of a group; nor are rates unfairly
1000 discriminatory even though they are lower than rates for
1001 nonmembers of the group. However, such rates are unfairly
1002 discriminatory if they are not actuarially measurable and
1003 credible and sufficiently related to actual or expected loss and
1004 expense experience of the group so as to ensure ~~assure~~ that
1005 nonmembers of the group are not unfairly discriminated against.
1006 Use of a single United States Postal Service zip code as a
1007 rating territory shall be deemed unfairly discriminatory unless
1008 filed pursuant to paragraph (1)(a) and such rating territory
1009 incorporates sufficient actual or expected loss and loss
1010 adjustment expense experience so as to be actuarially measurable
1011 and credible.

1012 Section 28. Present subsections (2) through (4) of section
1013 627.072, Florida Statutes, are redesignated as subsections (3)
1014 through (5), respectively, and a new subsection (2) is added to
1015 that section, to read:

1016 627.072 Making and use of rates.-

1017 (2) A retrospective rating plan may contain a provision
1018 that allows for the negotiation of premium between the employer
1019 and the insurer for employers having exposure in more than one
1020 state, an estimated annual standard premium in this state of
1021 \$175,000, and an estimated annual countrywide standard premium
1022 of \$1 million or more for workers' compensation.

1023 Section 29. Subsection (2) of section 627.281, Florida
1024 Statutes, is amended to read:

1025 627.281 Appeal from rating organization; workers'



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1026 compensation and employer's liability insurance filings.-

1027 (2) If the ~~such~~ appeal is based on ~~upon~~ the failure of the
1028 rating organization to make a filing on behalf of a ~~such~~ member
1029 or subscriber which is based on a system of expense provisions
1030 which ~~differs~~, in accordance with the right granted in s.
1031 627.072(3) ~~627.072(2)~~, differs from the system of expense
1032 provisions included in a filing made by the rating organization,
1033 the office shall, if it grants the appeal, order the rating
1034 organization to make the requested filing for use by the
1035 appellant. In deciding such appeal, the office shall apply the
1036 applicable standards set forth in ss. 627.062 and 627.072.

1037 Section 30. Paragraph (h) of subsection (5) of section
1038 627.311, Florida Statutes, is amended to read:

1039 627.311 Joint underwriters and joint reinsurers; public
1040 records and public meetings exemptions.-

1041 (5)

1042 (h) Any premium or assessments collected by the plan in
1043 excess of the amount necessary to fund projected ultimate
1044 incurred losses and expenses of the plan and not paid to
1045 insureds of the plan in conjunction with loss prevention or
1046 dividend programs shall be retained by the plan for future use.
1047 Any state funds received by the plan in excess of the amount
1048 necessary to fund deficits in subplan D or any tier shall be
1049 returned to the state. Any dividend payable to a former insured
1050 of the plan may be retained by the plan for future use upon such
1051 terms as set forth in the declaration of dividend.

1052 Section 31. Subsection (9) of section 627.3518, Florida
1053 Statutes, is amended to read:

1054 627.3518 Citizens Property Insurance Corporation



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1055 policyholder eligibility clearinghouse program.—The purpose of
1056 this section is to provide a framework for the corporation to
1057 implement a clearinghouse program by January 1, 2014.

1058 (9) The 45-day notice of nonrenewal requirement set forth
1059 in s. 627.4133(2)(b)5. ~~627.4133(2)(b)4.b.~~ applies when a policy
1060 is nonrenewed by the corporation because the risk has received
1061 an offer of coverage pursuant to this section which renders the
1062 risk ineligible for coverage by the corporation.

1063 Section 32. Section 627.3519, Florida Statutes, is
1064 repealed.

1065 Section 33. Section 627.409, Florida Statutes, is amended
1066 to read:

1067 627.409 Representations in applications; warranties.—

1068 (1) Any statement or description made by or on behalf of an
1069 insured or annuitant in an application for an insurance policy
1070 or annuity contract, or in negotiations for a policy or
1071 contract, is a representation and ~~is~~ not a warranty. Except as
1072 provided in subsection (3), a misrepresentation, omission,
1073 concealment of fact, or incorrect statement may prevent recovery
1074 under the contract or policy only if any of the following apply:

1075 (a) The misrepresentation, omission, concealment, or
1076 statement is fraudulent or is material ~~either~~ to the acceptance
1077 of the risk or to the hazard assumed by the insurer.

1078 (b) If the true facts had been known to the insurer
1079 pursuant to a policy requirement or other requirement, the
1080 insurer in good faith would not have issued the policy or
1081 contract, would not have issued it at the same premium rate,
1082 would not have issued a policy or contract in as large an
1083 amount, or would not have provided coverage with respect to the



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1084 hazard resulting in the loss.

1085 (2) A breach or violation by the insured of a ~~any~~ warranty,
1086 condition, or provision of a ~~any~~ wet marine or transportation
1087 insurance policy, contract of insurance, endorsement, or
1088 application ~~therefor~~ does not void the policy or contract, or
1089 constitute a defense to a loss thereon, unless such breach or
1090 violation increased the hazard by any means within the control
1091 of the insured.

1092 (3) For residential property insurance, if a policy or
1093 contract is in effect for more than 90 days, a claim filed by
1094 the insured may not be denied based on credit information
1095 available in public records.

1096 Section 34. Paragraph (b) of subsection (2) of section
1097 627.4133, Florida Statutes, is amended to read:

1098 627.4133 Notice of cancellation, nonrenewal, or renewal
1099 premium.—

1100 (2) With respect to a ~~any~~ personal lines or commercial
1101 residential property insurance policy, including a, ~~but not~~
1102 ~~limited to,~~ any homeowner's, mobile home owner's, farmowner's,
1103 condominium association, condominium unit owner's, apartment
1104 building, or other policy covering a residential structure or
1105 its contents:

1106 (b) The insurer shall give the first-named insured written
1107 notice of nonrenewal, cancellation, or termination at least 120
1108 ~~100~~ days before the effective date of the nonrenewal,
1109 cancellation, or termination. ~~However, the insurer shall give at~~
1110 ~~least 100 days' written notice, or written notice by June 1,~~
1111 ~~whichever is earlier, for any nonrenewal, cancellation, or~~
1112 ~~termination that would be effective between June 1 and November~~



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1113 ~~30.~~ The notice must include the reason or reasons for the
1114 nonrenewal, cancellation, or termination, except that:
1115 ~~1. The insurer shall give the first named insured written~~
1116 ~~notice of nonrenewal, cancellation, or termination at least 120~~
1117 ~~days prior to the effective date of the nonrenewal,~~
1118 ~~cancellation, or termination for a first named insured whose~~
1119 ~~residential structure has been insured by that insurer or an~~
1120 ~~affiliated insurer for at least a 5-year period immediately~~
1121 ~~prior to the date of the written notice.~~
1122 ~~1.2.~~ If cancellation is for nonpayment of premium, at least
1123 10 days' written notice of cancellation accompanied by the
1124 reason therefor must be given. As used in this subparagraph, the
1125 term "nonpayment of premium" means failure of the named insured
1126 to discharge when due her or his obligations for paying the
1127 premium in connection with the payment of premiums on a policy
1128 or an ~~any~~ installment of such premium, whether the premium is
1129 payable directly to the insurer or its agent or indirectly under
1130 any premium finance plan or extension of credit, or failure to
1131 maintain membership in an organization if such membership is a
1132 condition precedent to insurance coverage. The term also means
1133 the failure of a financial institution to honor an insurance
1134 applicant's check after delivery to a licensed agent for payment
1135 of a premium, even if the agent has previously delivered or
1136 transferred the premium to the insurer. If a dishonored check
1137 represents the initial premium payment, the contract and all
1138 contractual obligations are void ab initio unless the nonpayment
1139 is cured within the earlier of 5 days after actual notice by
1140 certified mail is received by the applicant or 15 days after
1141 notice is sent to the applicant by certified mail or registered



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1142 mail, ~~and~~ If the contract is void, any premium received by the
1143 insurer from a third party must be refunded to that party in
1144 full.

1145 ~~2.3.~~ If ~~such~~ cancellation or termination occurs during the
1146 first 90 days the insurance is in force and the insurance is
1147 canceled or terminated for reasons other than nonpayment of
1148 premium, at least 20 days' written notice of cancellation or
1149 termination accompanied by the reason therefor must be given
1150 unless there has been a material misstatement or
1151 misrepresentation or failure to comply with the underwriting
1152 requirements established by the insurer.

1153 3. After the policy has been in effect for 90 days, the
1154 insurer may not cancel the policy unless there has been a
1155 material misstatement, a nonpayment of premium, a failure to
1156 comply with underwriting requirements established by the insurer
1157 within 90 days after the date of effectuation of coverage, or a
1158 substantial change in the risk covered by the policy or the
1159 cancellation is for all insureds under such policies for a class
1160 of insureds. This subparagraph does not apply to individually
1161 rated risks having a policy term of less than 90 days.

1162 4. After a policy or contract has been in effect for 90
1163 days, the insurer may not cancel or terminate the policy or
1164 contract based on credit information available in public
1165 records. The requirement for providing written notice by June 1
1166 of any nonrenewal that would be effective between June 1 and
1167 November 30 does not apply to the following situations, but the
1168 insurer remains subject to the requirement to provide such
1169 notice at least 100 days before the effective date of
1170 nonrenewal:



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1171 ~~a. A policy that is nonrenewed due to a revision in the~~
1172 ~~coverage for sinkhole losses and catastrophic ground cover~~
1173 ~~collapse pursuant to s. 627.706.~~

1174 5.b. A policy that is nonrenewed by Citizens Property
1175 Insurance Corporation, pursuant to s. 627.351(6), for a policy
1176 that has been assumed by an authorized insurer offering
1177 replacement coverage to the policyholder is exempt from the
1178 notice requirements of paragraph (a) and this paragraph. In such
1179 cases, the corporation must give the named insured written
1180 notice of nonrenewal at least 45 days before the effective date
1181 of the nonrenewal.

1182
1183 ~~After the policy has been in effect for 90 days, the policy may~~
1184 ~~not be canceled by the insurer unless there has been a material~~
1185 ~~misstatement, a nonpayment of premium, a failure to comply with~~
1186 ~~underwriting requirements established by the insurer within 90~~
1187 ~~days after the date of effectuation of coverage, or a~~
1188 ~~substantial change in the risk covered by the policy or if the~~
1189 ~~cancellation is for all insureds under such policies for a given~~
1190 ~~class of insureds. This paragraph does not apply to individually~~
1191 ~~rated risks having a policy term of less than 90 days.~~

1192 6.5. Notwithstanding any other ~~provision of law~~, an insurer
1193 may cancel or nonrenew a property insurance policy after at
1194 least 45 days' notice if the office finds that the early
1195 cancellation of some or all of the insurer's policies is
1196 necessary to protect the best interests of the public or
1197 policyholders and the office approves the insurer's plan for
1198 early cancellation or nonrenewal of some or all of its policies.
1199 The office may base such finding upon the financial condition of



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1200 the insurer, lack of adequate reinsurance coverage for hurricane
1201 risk, or other relevant factors. The office may condition its
1202 finding on the consent of the insurer to be placed under
1203 administrative supervision pursuant to s. 624.81 or to the
1204 appointment of a receiver under chapter 631.

1205 ~~7.6.~~ A policy covering both a home and a motor vehicle may
1206 be nonrenewed for any reason applicable to ~~either~~ the property
1207 or motor vehicle insurance after providing 90 days' notice.

1208 Section 35. Subsection (1) of section 627.4137, Florida
1209 Statutes, is amended to read:

1210 627.4137 Disclosure of certain information required.-

1211 (1) Each insurer that provides ~~which does~~ or may provide
1212 liability insurance coverage to pay all or a portion of a any
1213 claim that ~~which~~ might be made shall ~~provide~~, within 30 days
1214 after ~~of~~ the written request of the claimant, provide a
1215 statement, under oath, of a corporate officer or the insurer's
1216 claims manager, ~~or~~ superintendent, or licensed company adjuster
1217 setting forth the following information with regard to each
1218 known policy of insurance, including excess or umbrella
1219 insurance:

1220 (a) The name of the insurer.

1221 (b) The name of each insured.

1222 (c) The limits of the liability coverage.

1223 (d) A statement of any policy or coverage defense that the
1224 ~~which such~~ insurer reasonably believes is available to the ~~such~~
1225 insurer at the time of filing such statement.

1226 (e) A copy of the policy.

1227

1228 ~~In addition,~~ The insured, or her or his insurance agent, upon



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1229 written request of the claimant or the claimant's attorney,
1230 shall also disclose the name and coverage of each known insurer
1231 to the claimant and ~~shall~~ forward the ~~such~~ request for
1232 information ~~as~~ required by this subsection to all affected
1233 insurers. The insurer shall ~~then~~ supply the required information
1234 ~~required in this subsection~~ to the claimant within 30 days after
1235 ~~of~~ receipt of such request.

1236 Section 36. Subsection (1) of section 627.421, Florida
1237 Statutes, is amended to read:

1238 627.421 Delivery of policy.—

1239 (1) Subject to the insurer's requirement as to payment of
1240 premium, every policy shall be mailed, delivered, or
1241 electronically transmitted to the insured or to the person
1242 entitled thereto within not later than 60 days after the
1243 effectuation of coverage. Notwithstanding any other provision of
1244 law, an insurer may allow a policyholder of personal lines
1245 insurance to affirmatively elect delivery of the policy
1246 documents, including policies, endorsements, notices, or other
1247 documents, by electronic means in lieu of delivery by mail.

1248 Electronic transmission of a policy for commercial risks,
1249 including, but not limited to, workers' compensation and
1250 employers' liability, commercial automobile liability,
1251 commercial automobile physical damage, commercial lines
1252 residential property, commercial nonresidential property, farm
1253 owners' insurance, and the types of commercial lines risks set
1254 forth in s. 627.062(3)(d), constitute ~~shall constitute~~ delivery
1255 to the insured or to the person entitled to delivery, unless the
1256 insured or the person entitled to delivery communicates to the
1257 insurer in writing or electronically that he or she does not



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1258 agree to delivery by electronic means. Electronic transmission
1259 must ~~shall~~ include a notice to the insured or to the person
1260 entitled to delivery of a policy of his or her right to receive
1261 the policy via United States mail rather than via electronic
1262 transmission. A paper copy of the policy shall be provided to
1263 the insured or to the person entitled to delivery at his or her
1264 request.

1265 Section 37. Subsection (2) of section 627.43141, Florida
1266 Statutes, is amended to read:

1267 627.43141 Notice of change in policy terms.—

1268 (2) A renewal policy may contain a change in policy terms.
1269 If a renewal policy contains ~~does contain~~ such change, the
1270 insurer must give the named insured written notice of the
1271 change, which may ~~must~~ be enclosed along with the written notice
1272 of renewal premium required by ss. 627.4133 and 627.728 or be
1273 sent in a separate notice that complies with the nonrenewal
1274 mailing time requirement for that particular line of business.
1275 The insurer must also provide a sample copy of the notice to the
1276 insured's insurance agent before or at the same time that notice
1277 is given to the insured. Such notice shall be entitled "Notice
1278 of Change in Policy Terms."

1279 Section 38. Section 627.4553, Florida Statutes, is created
1280 to read:

1281 627.4553 Recommendations to surrender.—If an insurance
1282 agent recommends the surrender of an annuity or life insurance
1283 policy containing a cash value and is not recommending that the
1284 proceeds from the surrender be used to fund or purchase another
1285 annuity or life insurance policy, before execution of the
1286 surrender, the insurance agent, or the insurance company if no



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1287 agent is involved, shall provide, on a form adopted by rule by
1288 the department, information concerning the annuity or policy to
1289 be surrendered, including the amount of any surrender charge,
1290 the loss of any minimum interest rate guarantees, the amount of
1291 any tax consequences resulting from the surrender, the amount of
1292 any forfeited death benefit, and the value of any other
1293 investment performance guarantees being forfeited as a result of
1294 the surrender. This section also applies to a person performing
1295 insurance agent activities pursuant to an exemption from
1296 licensure under this part.

1297 Section 39. Paragraph (b) of subsection (4) of section
1298 627.7015, Florida Statutes, is amended to read:

1299 627.7015 Alternative procedure for resolution of disputed
1300 property insurance claims.—

1301 (4) The department shall adopt by rule a property insurance
1302 mediation program to be administered by the department or its
1303 designee. The department may also adopt special rules which are
1304 applicable in cases of an emergency within the state. The rules
1305 shall be modeled after practices and procedures set forth in
1306 mediation rules of procedure adopted by the Supreme Court. The
1307 rules must ~~shall~~ provide for:

1308 (b) Qualifications, denial of application, suspension,
1309 revocation of approval, and other penalties for ~~of~~ mediators as
1310 provided in s. 627.745 and in the Florida Rules for ~~of~~ Certified
1311 and Court-Appointed ~~Court Appointed~~ Mediators, ~~and for such~~
1312 ~~other individuals as are qualified by education, training, or~~
1313 ~~experience as the department determines to be appropriate.~~

1314 Section 40. Section 627.70151, Florida Statutes, is created
1315 to read:



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1316 627.70151 Appraisal; conflicts of interest.—An insurer that
1317 offers residential coverage, as defined in s. 627.4025, or a
1318 policyholder that uses an appraisal clause in the property
1319 insurance contract to establish a process for estimating or
1320 evaluating the amount of the loss through the use of an
1321 impartial umpire may challenge the umpire’s impartiality and
1322 disqualify the proposed umpire only if:

1323 (1) A familial relationship within the third degree exists
1324 between the umpire and a party or a representative of a party;

1325 (2) The umpire has previously represented a party or a
1326 representative of a party in a professional capacity in the same
1327 or a substantially related matter;

1328 (3) The umpire has represented another person in a
1329 professional capacity on the same or a substantially related
1330 matter, which includes the claim, same property, or an adjacent
1331 property and that other person’s interests are materially
1332 adverse to the interests of any party; or

1333 (4) The umpire has worked as an employer or employee of a
1334 party within the preceding 5 years.

1335 Section 41. Paragraph (c) of subsection (2) of section
1336 627.706, Florida Statutes, is amended to read:

1337 627.706 Sinkhole insurance; catastrophic ground cover
1338 collapse; definitions.—

1339 (2) As used in ss. 627.706–627.7074, and as used in
1340 connection with any policy providing coverage for a catastrophic
1341 ground cover collapse or for sinkhole losses, the term:

1342 (c) “Neutral evaluator” means a professional engineer or a
1343 professional geologist who has completed a course of study in
1344 alternative dispute resolution designed or approved by the



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1345 department for use in the neutral evaluation process, ~~and~~ who is
1346 determined by the department to be fair and impartial, and who
1347 is not otherwise ineligible for certification as provided in s.
1348 627.7074.

1349 Section 42. Subsections (3), (7), and (18) of section
1350 627.7074, Florida Statutes, are amended to read:

1351 627.7074 Alternative procedure for resolution of disputed
1352 sinkhole insurance claims.—

1353 (3) Following the receipt of the report required ~~provided~~
1354 under s. 627.7073 or the denial of a claim for a sinkhole loss,
1355 the insurer shall notify the policyholder of his or her right to
1356 participate in the neutral evaluation program under this section
1357 if coverage is available under the policy and the claim was
1358 submitted within the timeframe provided in s. 627.706(5).

1359 Neutral evaluation supersedes the alternative dispute resolution
1360 process under s. 627.7015 but does not invalidate the appraisal
1361 clause of the insurance policy. The insurer shall provide to the
1362 policyholder the consumer information pamphlet prepared by the
1363 department pursuant to subsection (1) electronically or by
1364 United States mail.

1365 (7) Upon receipt of a request for neutral evaluation, the
1366 department shall provide the parties a list of certified neutral
1367 evaluators. The department shall allow the parties to submit
1368 requests for disqualifying ~~to disqualify~~ evaluators on the list
1369 for cause.

1370 (a) The department shall disqualify neutral evaluators for
1371 cause based only on any of the following grounds:

1372 1. A familial relationship exists between the neutral
1373 evaluator and either party or a representative of either party



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1374 within the third degree.

1375 2. The proposed neutral evaluator has, in a professional
1376 capacity, previously represented either party or a
1377 representative of either party, in the same or a substantially
1378 related matter.

1379 3. The proposed neutral evaluator has, in a professional
1380 capacity, represented another person in the same or a
1381 substantially related matter and that person's interests are
1382 materially adverse to the interests of the parties. The term
1383 "substantially related matter" means participation by the
1384 neutral evaluator on the same claim, property, or adjacent
1385 property.

1386 4. The proposed neutral evaluator has, within the preceding
1387 5 years, worked as an employer or employee of a ~~any~~ party to the
1388 case.

1389 (b) The department shall deny an application, or suspend or
1390 revoke the certification, of a neutral evaluator to serve in the
1391 neutral evaluator capacity if the department finds that one or
1392 more of the following grounds exist:

1393 1. Lack of one or more of the qualifications for
1394 certification specified in this section.

1395 2. Material misstatement, misrepresentation, or fraud in
1396 obtaining or attempting to obtain the certification.

1397 3. Demonstrated lack of fitness or trustworthiness to act
1398 as a neutral evaluator.

1399 4. Fraudulent or dishonest practices in the conduct of an
1400 evaluation or in the conduct of business in the financial
1401 services industry.

1402 5. Violation of any provision of this code or of a lawful



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1403 order or rule of the department or aiding, instructing, or
1404 encouraging another party to commit such violation.

1405 (c)~~(b)~~ The parties shall appoint a neutral evaluator from
1406 the department list and promptly inform the department. If the
1407 parties cannot agree to a neutral evaluator within 14 business
1408 days, the department shall appoint a neutral evaluator from the
1409 list of certified neutral evaluators. The department shall allow
1410 each party to disqualify two neutral evaluators without cause.
1411 Upon selection or appointment, the department shall promptly
1412 refer the request to the neutral evaluator.

1413 (d)~~(e)~~ Within 14 business days after the referral, the
1414 neutral evaluator shall notify the policyholder and the insurer
1415 of the date, time, and place of the neutral evaluation
1416 conference. The conference may be held by telephone, if feasible
1417 and desirable. The neutral evaluator shall make reasonable
1418 efforts to hold the conference within 90 days after the receipt
1419 of the request by the department. Failure of the neutral
1420 evaluator to hold the conference within 90 days does not
1421 invalidate either party's right to neutral evaluation or to a
1422 neutral evaluation conference held outside this timeframe.

1423 (18) The department shall adopt rules of procedure for the
1424 neutral evaluation process and for certifying, denying or
1425 suspending the certification of, and revoking certification as,
1426 a neutral evaluator.

1427 Section 43. Subsection (8) of section 627.711, Florida
1428 Statutes, is amended to read:

1429 627.711 Notice of premium discounts for hurricane loss
1430 mitigation; uniform mitigation verification inspection form.—

1431 (8) At its expense, the insurer may require that a uniform



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1432 mitigation verification form provided by a policyholder, a
1433 policyholder's agent, or an authorized mitigation inspector or
1434 inspection company be independently verified by an inspector, an
1435 inspection company, or an independent third-party quality
1436 assurance provider that ~~which~~ possesses a quality assurance
1437 program before accepting the uniform mitigation verification
1438 form as valid. The insurer may exempt from additional
1439 independent verification any uniform mitigation verification
1440 form provided by a policyholder, a policyholder's agent, an
1441 authorized mitigation inspector, or an inspection company that
1442 possesses a quality assurance program that meets the standards
1443 established by the insurer. A uniform mitigation verification
1444 form provided by a policyholder, a policyholder's agent, an
1445 authorized mitigation inspector, or an inspection company to
1446 Citizens Property Insurance Corporation is not subject to
1447 additional verification, and the property is not subject to
1448 reinspection by the corporation, absent material changes to the
1449 structure for the term stated on the form if the form signed by
1450 a qualified inspector was submitted to, reviewed, and verified
1451 by a quality assurance program approved by the corporation
1452 before submission to the corporation.

1453 Section 44. Subsections (1), (2), and (3) of section
1454 627.7283, Florida Statutes, are amended to read:

1455 627.7283 Cancellation; return of premium.—

1456 (1) If the insured cancels a policy of motor vehicle
1457 insurance, the insurer must mail or electronically transfer the
1458 unearned portion of any premium paid within 30 days after the
1459 effective date of the policy cancellation or receipt of notice
1460 or request for cancellation, whichever is later. This



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1461 requirement applies to a cancellation initiated by an insured
1462 for any reason.

1463 (2) If an insurer cancels a policy of motor vehicle
1464 insurance, the insurer must mail or electronically transfer the
1465 unearned premium portion of any premium within 15 days after the
1466 effective date of the policy cancellation.

1467 (3) If the unearned premium is not mailed or electronically
1468 transferred within the applicable period, the insurer must pay
1469 to the insured 8 percent interest on the amount due. If the
1470 unearned premium is not mailed or electronically transferred
1471 within 45 days after the applicable period, the insured may
1472 bring an action against the insurer pursuant to s. 624.155.

1473 Section 45. Paragraph (a) of subsection (5) of section
1474 627.736, Florida Statutes, is amended to read:

1475 627.736 Required personal injury protection benefits;
1476 exclusions; priority; claims.—

1477 (5) CHARGES FOR TREATMENT OF INJURED PERSONS.—

1478 (a) A physician, hospital, clinic, or other person or
1479 institution lawfully rendering treatment to an injured person
1480 for a bodily injury covered by personal injury protection
1481 insurance may charge the insurer and injured party only a
1482 reasonable amount pursuant to this section for the services and
1483 supplies rendered, and the insurer providing such coverage may
1484 directly pay for such charges directly to the such person or
1485 institution lawfully rendering ~~such~~ treatment if the insured
1486 receiving such treatment or his or her guardian has
1487 countersigned the properly completed invoice, bill, or claim
1488 form approved by the office upon which such charges are to be
1489 paid ~~for~~ as having actually been rendered, to the best knowledge



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1490 of the insured or his or her guardian. However, such a charge
1491 may not exceed the amount the person or institution customarily
1492 charges for like services or supplies. In determining whether a
1493 charge for a particular service, treatment, or otherwise is
1494 reasonable, consideration may be given to evidence of usual and
1495 customary charges and payments accepted by the provider involved
1496 in the dispute, reimbursement levels in the community and
1497 various federal and state medical fee schedules applicable to
1498 motor vehicle and other insurance coverages, and other
1499 information relevant to the reasonableness of the reimbursement
1500 ~~for the service, treatment, or supply.~~

1501 1. The insurer may limit reimbursement to 80 percent of the
1502 following schedule of maximum charges:

1503 a. For emergency transport and treatment by providers
1504 licensed under chapter 401, 200 percent of Medicare.

1505 b. For emergency services and care provided by a hospital
1506 licensed under chapter 395, 75 percent of the hospital's usual
1507 and customary charges.

1508 c. For emergency services and care as defined by s. 395.002
1509 provided in a facility licensed under chapter 395 rendered by a
1510 physician or dentist, and related hospital inpatient services
1511 rendered by a physician or dentist, the usual and customary
1512 charges in the community.

1513 d. For hospital inpatient services, other than emergency
1514 services and care, 200 percent of the Medicare Part A
1515 prospective payment applicable to the specific hospital
1516 providing the inpatient services.

1517 e. For hospital outpatient services, other than emergency
1518 services and care, 200 percent of the Medicare Part A Ambulatory



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1519 Payment Classification for the specific hospital providing the
1520 outpatient services.

1521 f. For all other medical services, supplies, and care, 200
1522 percent of the allowable amount under:

1523 (I) The participating physicians fee schedule of Medicare
1524 Part B, except as provided in sub-sub-subparagraphs (II) and
1525 (III).

1526 (II) Medicare Part B, in the case of services, supplies,
1527 and care provided by ambulatory surgical centers and clinical
1528 laboratories.

1529 (III) The Durable Medical Equipment Prosthetics/Orthotics
1530 and Supplies fee schedule of Medicare Part B, in the case of
1531 durable medical equipment.

1532
1533 However, if such services, supplies, or care is not reimbursable
1534 under Medicare Part B, as provided in this sub-subparagraph, the
1535 insurer may limit reimbursement to 80 percent of the maximum
1536 reimbursable allowance under workers' compensation, as
1537 determined under s. 440.13 and rules adopted thereunder which
1538 are in effect at the time such services, supplies, or care is
1539 provided. Services, supplies, or care that is not reimbursable
1540 under Medicare or workers' compensation is not required to be
1541 reimbursed by the insurer.

1542 2. For purposes of subparagraph 1., the applicable fee
1543 schedule or payment limitation under Medicare is the fee
1544 schedule or payment limitation in effect on March 1 of the year
1545 in which the services, supplies, or care is rendered and for the
1546 area in which such services, supplies, or care is rendered, and
1547 the applicable fee schedule or payment limitation applies from



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1548 March 1 until the last day of February ~~throughout the remainder~~
1549 of the following ~~that~~ year, notwithstanding any subsequent
1550 change made to the fee schedule or payment limitation, except
1551 that it may not be less than the allowable amount under the
1552 applicable schedule of Medicare Part B for 2007 for medical
1553 services, supplies, and care subject to Medicare Part B.

1554 3. Subparagraph 1. does not allow the insurer to apply a
1555 ~~any~~ limitation on the number of treatments or other utilization
1556 limits that apply under Medicare or workers' compensation. An
1557 insurer that applies the allowable payment limitations of
1558 subparagraph 1. must reimburse a provider who lawfully provided
1559 care or treatment under the scope of his or her license,
1560 regardless of whether such provider is entitled to reimbursement
1561 under Medicare due to restrictions or limitations on the types
1562 or discipline of health care providers who may be reimbursed for
1563 particular procedures or procedure codes. However, subparagraph
1564 1. does not prohibit an insurer from using the Medicare coding
1565 policies and payment methodologies of the federal Centers for
1566 Medicare and Medicaid Services, including applicable modifiers,
1567 to determine the appropriate amount of reimbursement for medical
1568 services, supplies, or care if the coding policy or payment
1569 methodology does not constitute a utilization limit.

1570 4. If an insurer limits payment as authorized by
1571 subparagraph 1., the person providing such services, supplies,
1572 or care may not bill or attempt to collect from the insured any
1573 amount in excess of such limits, except for amounts that are not
1574 covered by the insured's personal injury protection coverage due
1575 to the coinsurance amount or maximum policy limits.

1576 5. ~~Effective July 1, 2012,~~ An insurer may limit payment as



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1577 authorized by this paragraph only if the insurance policy
1578 includes a notice at the time of issuance or renewal that the
1579 insurer may limit payment pursuant to the schedule of charges
1580 specified in this paragraph. A policy form approved by the
1581 office satisfies this requirement. If a provider submits a
1582 charge for an amount less than the amount allowed under
1583 subparagraph 1., the insurer may pay the amount of the charge
1584 submitted.

1585 Section 46. Subsection (1) and paragraphs (a) and (b) of
1586 subsection (2) of section 627.744, Florida Statutes, are amended
1587 to read:

1588 627.744 Required preinsurance inspection of private
1589 passenger motor vehicles.—

1590 (1) A private passenger motor vehicle insurance policy
1591 providing physical damage coverage, including collision or
1592 comprehensive coverage, may not be issued in this state unless
1593 the insurer has inspected the motor vehicle in accordance with
1594 this section. Physical damage coverage on a motor vehicle may
1595 not be suspended during the term of the policy due to the
1596 applicant's failure to provide required documents. However,
1597 payment of a claim may be conditioned upon the insurer's receipt
1598 of the required documents, and physical damage loss occurring
1599 after the effective date of coverage is not payable until the
1600 documents are provided to the insurer.

1601 (2) This section does not apply:

1602 (a) To a policy for a policyholder who has been insured for
1603 2 years or longer, without interruption, under a private
1604 passenger motor vehicle policy that ~~which~~ provides physical
1605 damage coverage for any vehicle, if the agent of the insurer



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1606 verifies the previous coverage.

1607 (b) To a new, unused motor vehicle purchased or leased from
1608 a licensed motor vehicle dealer or leasing company, if the
1609 insurer is provided with:

1610 1. A bill of sale, ~~or~~ buyer's order, or lease agreement
1611 that ~~which~~ contains a full description of the motor vehicle,
1612 ~~including all options and accessories;~~ or

1613 2. A copy of the title or registration that ~~which~~
1614 establishes transfer of ownership from the dealer or leasing
1615 company to the customer and a copy of the window sticker ~~or the~~
1616 ~~dealer invoice showing the itemized options and equipment and~~
1617 ~~the total retail price of the vehicle.~~

1618
1619 ~~For the purposes of this paragraph, the physical damage coverage~~
1620 ~~on the motor vehicle may not be suspended during the term of the~~
1621 ~~policy due to the applicant's failure to provide the required~~
1622 ~~documents. However, payment of a claim is conditioned upon the~~
1623 ~~receipt by the insurer of the required documents, and no~~
1624 ~~physical damage loss occurring after the effective date of the~~
1625 ~~coverage is payable until the documents are provided to the~~
1626 ~~insurer.~~

1627 Section 47. Paragraph (b) of subsection (3) of section
1628 627.745, Florida Statutes, is amended, present subsections (4)
1629 and (5) of that section are redesignated as subsections (5) and
1630 (6), respectively, and a new subsection (4) is added to that
1631 section, to read:

1632 627.745 Mediation of claims.—

1633 (3)

1634 (b) To qualify for approval as a mediator, an individual a



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1635 ~~person~~ must meet one of the following qualifications:

1636 1. Possess an active certification as a Florida Supreme
1637 Court certified circuit court mediator. A circuit court mediator
1638 whose certification is in a lapsed, suspended, or decertified
1639 status is not eligible to participate in the program a masters
1640 or doctorate degree in psychology, counseling, business,
1641 accounting, or economics, be a member of The Florida Bar, be
1642 licensed as a certified public accountant, or demonstrate that
1643 the applicant for approval has been actively engaged as a
1644 qualified mediator for at least 4 years prior to July 1, 1990.

1645 2. Be an approved department mediator as of July 1, 2014,
1646 and have conducted at least one mediation on behalf of the
1647 department within the 4 years immediately preceding that the
1648 date the application for approval is filed with the department,
1649 have completed a minimum of a 40-hour training program approved
1650 by the department and successfully passed a final examination
1651 included in the training program and approved by the department.
1652 The training program shall include and address all of the
1653 following:

- 1654 a. Mediation theory.
1655 b. Mediation process and techniques.
1656 c. Standards of conduct for mediators.
1657 d. Conflict management and intervention skills.
1658 e. Insurance nomenclature.

1659 (4) The department shall deny an application, or suspend or
1660 revoke its approval of a mediator or certification of a neutral
1661 evaluator to serve in such capacity, if the department finds
1662 that any of the following grounds exist:

1663 (a) Lack of one or more of the qualifications for approval



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1664 or certification specified in this section.

1665 (b) Material misstatement, misrepresentation, or fraud in
1666 obtaining, or attempting to obtain, the approval or
1667 certification.

1668 (c) Demonstrated lack of fitness or trustworthiness to act
1669 as a mediator or neutral evaluator.

1670 (d) Fraudulent or dishonest practices in the conduct of
1671 mediation or neutral evaluation or in the conduct of business in
1672 the financial services industry.

1673 (e) Violation of any provision of this code or of a lawful
1674 order or rule of the department, violation of the Florida Rules
1675 of Certified and Court Appointed Mediators, or aiding,
1676 instructing, or encouraging another party in committing such a
1677 violation.

1678
1679 The department may adopt rules to administer this subsection.

1680 Section 48. Paragraph (a) of subsection (1) of section
1681 627.778, Florida Statutes, is amended to read:

1682 627.778 Limit of risk.—

1683 (1) (a) A title insurer may not issue a ~~any~~ contract of
1684 title insurance, ~~either~~ as a primary insurer or as a coinsurer
1685 or reinsurer, upon an estate, lien, or interest in property
1686 located in this state unless:

1687 1. The contract shows on its face the dollar amount of the
1688 risk assumed; and

1689 2. The dollar amount of the risk assumed does not exceed 50
1690 percent of the sum of surplus with respect to policyholders,
1691 plus the statutory premium reserve less the title insurer's
1692 investment in title plants as shown in the most recent annual



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1693 statement of the title insurer on file with the office ~~one-half~~
1694 ~~of its surplus as to policyholders, unless the excess is~~
1695 ~~simultaneously reinsured in one or more approved insurers.~~

1696 Section 49. Subsection (8) of section 627.782, Florida
1697 Statutes, is amended to read:

1698 627.782 Adoption of rates.—

1699 (8) Each title insurance agency and insurer licensed to do
1700 business in this state and each insurer's direct or retail
1701 business in this state shall maintain and submit information,
1702 including revenue, loss, and expense data, as the office
1703 determines necessary to assist in the analysis of title
1704 insurance premium rates, title search costs, and the condition
1705 of the title insurance industry in this state. This information
1706 must be transmitted to the office annually by May ~~March~~ 31 of
1707 the year after the reporting year. The commission shall adopt
1708 rules regarding the collection and analysis of the data from the
1709 title insurance industry.

1710 Section 50. Subsection (4) of section 627.841, Florida
1711 Statutes, is amended to read:

1712 627.841 Delinquency, collection, cancellation, and payment
1713 ~~check~~ return charge ~~charges~~; attorney ~~attorney's~~ fees.—

1714 (4) If ~~In the event that~~ a payment is made to a premium
1715 finance company by debit, credit, electronic funds transfer,
1716 check, or draft and such payment ~~the instrument~~ is returned,
1717 declined, or cannot be processed due to ~~because of~~ insufficient
1718 funds ~~to pay it~~, the premium finance company may, if the premium
1719 finance agreement so provides, impose a return payment charge of
1720 \$15.

1721 Section 51. Subsections (1), (3), (10), and (12) of section



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1722 628.461, Florida Statutes, are amended to read:

1723 628.461 Acquisition of controlling stock.—

1724 (1) A person may not, individually or in conjunction with
1725 an ~~any~~ affiliated person of such person, acquire directly or
1726 indirectly, conclude a tender offer or exchange offer for, enter
1727 into any agreement to exchange securities for, or otherwise
1728 finally acquire 10 ~~5~~ percent or more of the outstanding voting
1729 securities of a domestic stock insurer or of a controlling
1730 company, unless:

1731 (a) The person or affiliated person has filed with the
1732 office and sent to the insurer and controlling company a letter
1733 of notification regarding the transaction or proposed
1734 transaction within ~~no later than~~ 5 days after any form of tender
1735 offer or exchange offer is proposed, or within ~~no later than~~ 5
1736 days after the acquisition of the securities if no tender offer
1737 or exchange offer is involved. The notification must be provided
1738 on forms prescribed by the commission containing information
1739 determined necessary to understand the transaction and identify
1740 all purchasers and owners involved;

1741 (b) The person or affiliated person has filed with the
1742 office a statement as specified in subsection (3). The statement
1743 must be completed and filed within 30 days after:

- 1744 1. Any definitive acquisition agreement is entered;
1745 2. Any form of tender offer or exchange offer is proposed;

1746 or

1747 3. The acquisition of the securities, if no definitive
1748 acquisition agreement, tender offer, or exchange offer is
1749 involved; and

1750 (c) The office has approved the tender or exchange offer,



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1751 or acquisition if no tender offer or exchange offer is involved,
1752 and approval is in effect.

1753

1754 ~~In lieu of a filing as required under this subsection, a party~~
1755 ~~acquiring less than 10 percent of the outstanding voting~~
1756 ~~securities of an insurer may file a disclaimer of affiliation~~
1757 ~~and control. The disclaimer shall fully disclose all material~~
1758 ~~relationships and basis for affiliation between the person and~~
1759 ~~the insurer as well as the basis for disclaiming the affiliation~~
1760 ~~and control. After a disclaimer has been filed, the insurer~~
1761 ~~shall be relieved of any duty to register or report under this~~
1762 ~~section which may arise out of the insurer's relationship with~~
1763 ~~the person unless and until the office disallows the disclaimer.~~
1764 ~~The office shall disallow a disclaimer only after furnishing all~~
1765 ~~parties in interest with notice and opportunity to be heard and~~
1766 ~~after making specific findings of fact to support the~~
1767 ~~disallowance.~~ A filing as required under this subsection must be
1768 made as to any acquisition that equals or exceeds 10 percent of
1769 the outstanding voting securities.

1770 (3) The statement to be filed with the office under
1771 subsection (1) and furnished to the insurer and controlling
1772 company must ~~shall~~ contain the following information and any
1773 additional information ~~as~~ the office deems necessary to
1774 determine the character, experience, ability, and other
1775 qualifications of the person or affiliated person of such person
1776 for the protection of the policyholders and shareholders of the
1777 insurer and the public:

1778 (a) The identity of, and the background information
1779 specified in subsection (4) on, each natural person by whom, or



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1780 on whose behalf, the acquisition is to be made; and, if the
1781 acquisition is to be made by, or on behalf of, a corporation,
1782 association, or trust, as to the corporation, association, or
1783 trust and as to any person who ~~controls either~~ directly or
1784 indirectly controls the corporation, association, or trust, the
1785 identity of, and the background information specified in
1786 subsection (4) on, each director, officer, trustee, or other
1787 natural person performing duties similar to those of a director,
1788 officer, or trustee for the corporation, association, or trust;

1789 (b) The source and amount of the funds or other
1790 consideration used, or to be used, in making the acquisition;

1791 (c) Any plans or proposals that ~~which~~ such persons may have
1792 made to liquidate such insurer, to sell any of its assets or
1793 merge or consolidate it with any person, or to make any other
1794 major change in its business or corporate structure or
1795 management; and any plans or proposals that which such persons
1796 may have made to liquidate any controlling company of such
1797 insurer, to sell any of its assets or merge or consolidate it
1798 with any person, or to make any other major change in its
1799 business or corporate structure or management;

1800 (d) The number of shares or other securities which the
1801 person or affiliated person of such person proposes to acquire,
1802 the terms of the proposed acquisition, and the manner in which
1803 the securities are to be acquired; and

1804 (e) Information as to any contract, arrangement, or
1805 understanding with any party with respect to any of the
1806 securities of the insurer or controlling company, including, but
1807 not limited to, information relating to the transfer of any of
1808 the securities, option arrangements, puts or calls, or the



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1809 giving or withholding of proxies, which information names the
1810 party with whom the contract, arrangement, or understanding has
1811 been entered into and gives the details thereof.

1812 (10) Upon notification to the office by the domestic stock
1813 insurer or a controlling company that any person or any
1814 affiliated person of such person has acquired 10 ~~5~~ percent or
1815 more of the outstanding voting securities of the domestic stock
1816 insurer or controlling company without complying with ~~the~~
1817 ~~provisions~~ of this section, the office shall order that the
1818 person and any affiliated person of such person cease
1819 acquisition of any further securities of the domestic stock
1820 insurer or controlling company; however, the person or any
1821 affiliated person of such person may request a proceeding, which
1822 ~~proceeding~~ shall be convened within 7 days after the rendering
1823 of the order for the sole purpose of determining whether the
1824 person, individually or in connection with an ~~any~~ affiliated
1825 person of such person, has acquired 10 ~~5~~ percent or more of the
1826 outstanding voting securities of a domestic stock insurer or
1827 controlling company. Upon the failure of the person or
1828 affiliated person to request a hearing within 7 days, or upon a
1829 determination at a hearing convened pursuant to this subsection
1830 that the person or affiliated person has acquired voting
1831 securities of a domestic stock insurer or controlling company in
1832 violation of this section, the office may order the person and
1833 affiliated person to divest themselves of any voting securities
1834 so acquired.

1835 (12) ~~(a)~~ A presumption of control may be rebutted by filing
1836 a disclaimer of control. A person may file a disclaimer of
1837 control with the office. The disclaimer must fully disclose all



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1838 material relationships and bases for affiliation between the
1839 person and the insurer as well as the basis for disclaiming the
1840 affiliation. The disclaimer of control shall be filed on a form
1841 prescribed by the office, or a person or acquiring party may
1842 file with the office a copy of a Schedule 13G on file with the
1843 Securities and Exchange Commission pursuant to Rule 13d-1(b) or
1844 Rule 13d-1(c) under the Securities Exchange Act of 1934, as
1845 amended. After a disclaimer is filed, the insurer is relieved of
1846 any duty to register or report under this section which may
1847 arise out of the insurer's relationship with the person, unless
1848 the office disallows the disclaimer. For the purpose of this
1849 section, the term "affiliated person" of another person means:
1850 1. The spouse of such other person;
1851 2. The parents of such other person and their lineal
1852 descendants and the parents of such other person's spouse and
1853 their lineal descendants;
1854 3. Any person who directly or indirectly owns or controls,
1855 or holds with power to vote, 5 percent or more of the
1856 outstanding voting securities of such other person;
1857 4. Any person 5 percent or more of the outstanding voting
1858 securities of which are directly or indirectly owned or
1859 controlled, or held with power to vote, by such other person;
1860 5. Any person or group of persons who directly or
1861 indirectly control, are controlled by, or are under common
1862 control with such other person;
1863 6. Any officer, director, partner, copartner, or employee
1864 of such other person;
1865 7. If such other person is an investment company, any
1866 investment adviser of such company or any member of an advisory



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1867 ~~board of such company;~~

1868 ~~8. If such other person is an unincorporated investment~~
1869 ~~company not having a board of directors, the depositor of such~~
1870 ~~company; or~~

1871 ~~9. Any person who has entered into an agreement, written or~~
1872 ~~unwritten, to act in concert with such other person in acquiring~~
1873 ~~or limiting the disposition of securities of a domestic stock~~
1874 ~~insurer or controlling company.~~

1875 ~~(b) For the purposes of this section, the term "controlling~~
1876 ~~company" means any corporation, trust, or association owning,~~
1877 ~~directly or indirectly, 25 percent or more of the voting~~
1878 ~~securities of one or more domestic stock insurance companies.~~

1879 Section 52. Subsection (11) of section 631.717, Florida
1880 Statutes, is amended to read:

1881 631.717 Powers and duties of the association.—

1882 (11) The association ~~is~~ shall not be liable for any civil
1883 action under s. 624.155 arising from any acts alleged to have
1884 been committed by a member insurer before ~~prior to~~ its
1885 liquidation. ~~This subsection does not affect the association's~~
1886 ~~obligation to pay valid insurance policy or contract claims if~~
1887 ~~warranted after its independent de novo review of the policies,~~
1888 ~~contracts, and claims presented to it, whether domestic or~~
1889 ~~foreign, after a Florida domestic rehabilitation or a~~
1890 ~~liquidation.~~

1891 Section 53. Section 631.737, Florida Statutes, is amended
1892 to read:

1893 631.737 Rescission and review generally.—The association
1894 shall review claims and matters regarding covered policies based
1895 upon the record available to it on and after the date of



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1896 liquidation. Notwithstanding any other provision of this part,
1897 in order to allow for orderly claims administration by the
1898 association, entry of a liquidation order by a court of
1899 competent jurisdiction tolls ~~shall be deemed to toll~~ for 1 year
1900 any rescission or noncontestable period allowed by the contract,
1901 the policy, or by law. The association's obligation is to pay
1902 any valid insurance policy or contract claims, if warranted,
1903 after its independent de novo review of the policies, contracts,
1904 and claims presented to it, whether domestic or foreign, after a
1905 rehabilitation or a liquidation.

1906 Section 54. Subsections (6) and (7) of section 634.406,
1907 Florida Statutes, are amended to read:

1908 634.406 Financial requirements.—

1909 (6) An association that ~~which~~ holds a license under this
1910 part ~~and which does not hold any other license under this~~
1911 ~~chapter~~ may allow its premiums for service warranties written
1912 under this part to exceed the ratio to net assets limitations of
1913 this section if the association meets all of the following
1914 conditions:

1915 (a) Maintains net assets of at least \$750,000.

1916 (b) Uses ~~Utilizes~~ a contractual liability insurance policy
1917 approved by the office that: ~~which~~

1918 1. Reimburses the service warranty association for 100
1919 percent of its claims liability and is issued by an insurer that
1920 maintains a policyholder surplus of at least \$100 million; or

1921 2. Complies with subsection (3) and is issued by an insurer
1922 that maintains a policyholder surplus of at least \$200 million.

1923 (c) The insurer issuing the contractual liability insurance
1924 policy:



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1925 ~~1. Maintains a policyholder surplus of at least \$100~~
1926 ~~million.~~

1927 ~~1.2.~~ Is rated "A" or higher by A.M. Best Company or an
1928 equivalent rating by another national rating service acceptable
1929 to the office.

1930 ~~3. Is in no way affiliated with the warranty association.~~

1931 ~~2.4.~~ In conjunction with the warranty association's filing
1932 of the quarterly and annual reports, provides, on a form
1933 prescribed by the commission, a statement certifying the gross
1934 written premiums in force reported by the warranty association
1935 and a statement that all of the warranty association's gross
1936 written premium in force is covered under the contractual
1937 liability policy, regardless of whether ~~or not~~ it has been
1938 reported.

1939 ~~(7) A contractual liability policy must insure 100 percent~~
1940 ~~of an association's claims exposure under all of the~~
1941 ~~association's service warranty contracts, wherever written,~~
1942 ~~unless all of the following are satisfied:~~

1943 ~~(a) The contractual liability policy contains a clause that~~
1944 ~~specifically names the service warranty contract holders as sole~~
1945 ~~beneficiaries of the contractual liability policy and claims are~~
1946 ~~paid directly to the person making a claim under the contract;~~

1947 ~~(b) The contractual liability policy meets all other~~
1948 ~~requirements of this part, including subsection (3) of this~~
1949 ~~section, which are not inconsistent with this subsection;~~

1950 ~~(c) The association has been in existence for at least 5~~
1951 ~~years or the association is a wholly owned subsidiary of a~~
1952 ~~corporation that has been in existence and has been licensed as~~
1953 ~~a service warranty association in the state for at least 5~~



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1954 ~~years, and:~~

1955 ~~1. Is listed and traded on a recognized stock exchange; is~~
1956 ~~listed in NASDAQ (National Association of Security Dealers~~
1957 ~~Automated Quotation system) and publicly traded in the over-the-~~
1958 ~~counter securities market; is required to file either of Form~~
1959 ~~10-K, Form 100, or Form 20-C with the United States Securities~~
1960 ~~and Exchange Commission; or has American Depository Receipts~~
1961 ~~listed on a recognized stock exchange and publicly traded or is~~
1962 ~~the wholly owned subsidiary of a corporation that is listed and~~
1963 ~~traded on a recognized stock exchange; is listed in NASDAQ~~
1964 ~~(National Association of Security Dealers Automated Quotation~~
1965 ~~system) and publicly traded in the over-the-counter securities~~
1966 ~~market; is required to file Form 10-K, Form 100, or Form 20-G~~
1967 ~~with the United States Securities and Exchange Commission; or~~
1968 ~~has American Depository Receipts listed on a recognized stock~~
1969 ~~exchange and is publicly traded;~~

1970 ~~2. Maintains outstanding debt obligations, if any, rated in~~
1971 ~~the top four rating categories by a recognized rating service;~~

1972 ~~3. Has and maintains at all times a minimum net worth of~~
1973 ~~not less than \$10 million as evidenced by audited financial~~
1974 ~~statements prepared by an independent certified public~~
1975 ~~accountant in accordance with generally accepted accounting~~
1976 ~~principles and submitted to the office annually; and~~

1977 ~~4. Is authorized to do business in this state; and~~

1978 ~~(d) The insurer issuing the contractual liability policy:~~

1979 ~~1. Maintains and has maintained for the preceding 5 years,~~
1980 ~~policyholder surplus of at least \$100 million and is rated "A"~~
1981 ~~or higher by A.M. Best Company or has an equivalent rating by~~
1982 ~~another rating company acceptable to the office;~~



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1983 ~~2. Holds a certificate of authority to do business in this~~
1984 ~~state and is approved to write this type of coverage; and~~

1985 ~~3. Acknowledges to the office quarterly that it insures all~~
1986 ~~of the association's claims exposure under contracts delivered~~
1987 ~~in this state.~~

1988
1989 ~~If all the preceding conditions are satisfied, then the scope of~~
1990 ~~coverage under a contractual liability policy shall not be~~
1991 ~~required to exceed an association's claims exposure under~~
1992 ~~service warranty contracts delivered in this state.~~

1993 Section 55. Except as otherwise expressly provided in this
1994 act, this act shall take effect July 1, 2014.

1995
1996 ===== T I T L E A M E N D M E N T =====

1997 And the title is amended as follows:

1998 Delete everything before the enacting clause
1999 and insert:

2000 A bill to be entitled
2001 An act relating to insurance; amending s. 624.501,
2002 F.S.; revising original appointment and renewal fees
2003 related to certain insurance representatives; amending
2004 s. 626.015, F.S.; defining the term "unaffiliated
2005 insurance agent"; amending s. 626.0428, F.S.;
2006 requiring a branch place of business to have an agent
2007 in charge; authorizing an agent to be in charge of
2008 more than one branch office under certain
2009 circumstances; providing requirements relating to the
2010 designation of an agent in charge; prohibiting an
2011 insurance agency from conducting insurance business at



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2012 a location without a designated agent in charge;
2013 providing that the agent in charge is accountable for
2014 misconduct and violations committed by the licensee
2015 and any person under his or her supervision; amending
2016 s. 626.112, F.S.; prohibiting limited customer
2017 representative licenses from being issued after a
2018 specified date; providing licensure exemptions that
2019 allow specified individuals or entities to conduct
2020 insurance business at specified locations under
2021 certain circumstances; revising licensure requirements
2022 and penalties with respect to registered insurance
2023 agencies; providing that the registration of an
2024 approved registered insurance agency automatically
2025 converts to an insurance agency license on a specified
2026 date; amending s. 626.172, F.S.; revising requirements
2027 relating to applications for insurance agency
2028 licenses; conforming provisions to changes made by the
2029 act; amending s. 626.311, F.S.; limiting the types of
2030 business that may be transacted by certain agents;
2031 amending s. 626.321, F.S.; providing that a limited
2032 license to offer motor vehicle rental insurance issued
2033 to a business that rents or leases motor vehicles
2034 encompasses the employees of such business; amending
2035 s. 626.382, F.S.; providing that an insurance agency
2036 license continues in force until canceled, suspended,
2037 revoked, terminated, or expired; amending s. 626.601,
2038 F.S.; revising terminology relating to investigations
2039 conducted by the Department of Financial Services and
2040 the Office of Insurance Regulation with respect to



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2041 individuals and entities involved in the insurance
2042 industry; revising a confidentiality provision;
2043 repealing s. 626.747, F.S., relating to branch
2044 agencies, agents in charge, and the payment of
2045 additional county tax under certain circumstances;
2046 amending s. 626.8411, F.S.; conforming a cross-
2047 reference; amending s. 626.854, F.S.; deleting the
2048 requirement that a 48 hours' notice be provided before
2049 scheduling an onsite inspection of insured property;
2050 conforming a cross-reference; amending s. 626.8805,
2051 F.S.; revising insurance administrator application
2052 requirements; amending s. 626.8817, F.S.; authorizing
2053 an insurer's designee to provide certain coverage
2054 information to an insurance administrator; authorizing
2055 an insurer to subcontract the review of an insurance
2056 administrator; amending s. 626.882, F.S.; prohibiting
2057 a person from acting as an insurance administrator
2058 without a specific written agreement; amending s.
2059 626.883, F.S.; requiring an insurance administrator to
2060 furnish fiduciary account records to an insurer;
2061 requiring administrator withdrawals from a fiduciary
2062 account to be made according to a specific written
2063 agreement; providing that an insurer's designee may
2064 authorize payment of claims; amending s. 626.884,
2065 F.S.; revising an insurer's right of access to certain
2066 administrator records; amending s. 626.89, F.S.;
2067 revising the deadline for filing certain financial
2068 statements; deleting provisions allowing an extension
2069 for administrator to submit certain financial



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2070 statements; amending s. 626.931, F.S.; deleting
2071 provisions requiring a surplus lines agent to file a
2072 quarterly affidavit with the Florida Surplus Lines
2073 Service Office; amending s. 626.932, F.S.; revising
2074 the due date of surplus lines tax; amending ss.
2075 626.935 and 626.936, F.S.; conforming provisions to
2076 changes made by the act; amending s. 626.9541, F.S.;
2077 revising provisions for unfair methods of competition
2078 and unfair or deceptive acts relating to conducting
2079 certain insurance transactions through credit card
2080 facilities; conforming cross-references; amending s.
2081 627.062, F.S.; authorizing the Office of Insurance
2082 Regulation to use a straight average of model results
2083 or output ranges to estimate hurricane losses when
2084 determining whether the rates in a rate filing are
2085 excessive, inadequate, or unfairly discriminatory;
2086 amending s. 627.0628, F.S.; increasing the length of
2087 time during which an insurer must adhere to certain
2088 findings made by the Commission on Hurricane Loss
2089 Projection Methodology with respect to certain
2090 methods, principles, standards, models, or output
2091 ranges used in a rate filing; providing that the
2092 requirement to adhere to such findings does not limit
2093 an insurer from using straight averages of model
2094 results or output ranges under specified
2095 circumstances; amending s. 627.0651, F.S.; revising
2096 provisions for making and use of rates for motor
2097 vehicle insurance; amending s. 627.072, F.S.;
2098 authorizing retrospective rating plans relating to



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2099 workers' compensation and employer's liability
2100 insurance to allow negotiations between certain
2101 employers and insurers with respect to rating factors
2102 used to calculate premiums; amending ss. 627.281,
2103 F.S.; conforming a cross-reference; amending s.
2104 627.311, F.S.; providing that certain dividends may be
2105 retained by the joint underwriting plan for future
2106 use; amending s. 627.3518, F.S.; conforming a cross-
2107 reference; repealing s. 627.3519, F.S., relating to an
2108 annual report on the aggregate report of maximum
2109 losses of the Florida Hurricane Catastrophe Fund and
2110 Citizens Property Insurance Corporation; amending s.
2111 627.409, F.S.; providing that a claim for residential
2112 property insurance may not be denied based on certain
2113 credit information; amending s. 627.4133, F.S.;
2114 extending the period for prior notice required with
2115 respect to the nonrenewal, cancellation, or
2116 termination of certain insurance policies; deleting
2117 certain provisions that require extended periods of
2118 prior notice with respect to the nonrenewal,
2119 cancellation, or termination of certain insurance
2120 policies; prohibiting the cancellation of certain
2121 policies that have been in effect for a specified
2122 amount of time, except under certain circumstances;
2123 prohibiting the cancellation of a policy or contract
2124 that has been in effect for a specified amount of time
2125 based on certain credit information; amending s.
2126 627.4137, F.S.; adding licensed company adjusters to
2127 the list of persons who may respond to a claimant's



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2128 written request for information relating to liability
2129 insurance coverage; amending s. 627.421, F.S.;

2130 authorizing a policyholder of personal lines insurance
2131 to affirmatively elect delivery of policy documents by
2132 electronic means; amending s. 627.43141, F.S.;

2133 authorizing a notice of change in policy terms to be
2134 sent in a separate mailing to an insured under certain
2135 circumstances; requiring an insurer to provide such
2136 notice to the insured's insurance agent; creating s.
2137 627.4553, F.S.; providing requirements for the
2138 recommendation to surrender an annuity or life
2139 insurance policy; amending s. 627.7015, F.S.; revising
2140 the rulemaking authority of the department with
2141 respect to qualifications and specified types of
2142 penalties covered under the property insurance
2143 mediation program; creating s. 627.70151, F.S.;

2144 providing criteria for an insurer or policyholder to
2145 challenge the impartiality of a loss appraisal umpire
2146 for purposes of disqualifying such umpire; amending s.
2147 627.706, F.S.; revising the definition of the term
2148 "neutral evaluator"; amending s. 627.7074, F.S.;

2149 revising notification requirements for participation
2150 in the neutral evaluation program; providing grounds
2151 for the department to deny an application, or suspend
2152 or revoke certification, of a neutral evaluator;

2153 requiring the department to adopt rules relating to
2154 certification of neutral evaluators; amending s.
2155 627.711, F.S.; revising verification requirements for
2156 uniform mitigation verification forms; amending s.



2157 627.7283, F.S.; providing for the electronic transfer
2158 of unearned premiums returned when a policy is
2159 cancelled; amending s. 627.736, F.S.; revising the
2160 time period for applicability of certain Medicare fee
2161 schedules or payment limitations; amending s. 627.744,
2162 F.S.; revising preinsurance inspection requirements
2163 for private passenger motor vehicles; amending s.
2164 627.745, F.S.; revising qualifications for approval as
2165 a mediator by the department; providing grounds for
2166 the department to deny an application, or suspend or
2167 revoke approval of a mediator or certification of a
2168 neutral evaluator; authorizing the department to adopt
2169 rules; amending s. 627.778, F.S.; revising provisions
2170 relating to risk limits on title insurance contracts;
2171 amending s. 627.782, F.S.; revising the date by which
2172 title insurance agencies and certain insurers must
2173 annually submit specified information to the Office of
2174 Insurance Regulation; amending s. 627.841, F.S.;
2175 providing that an insurance premium finance company
2176 may impose a charge for payments returned, declined,
2177 or unable to be processed due to insufficient funds;
2178 amending s. 628.461, F.S.; revising filing
2179 requirements relating to the acquisition of
2180 controlling stock; revising the amount of outstanding
2181 voting securities of a domestic stock insurer or a
2182 controlling company that a person is prohibited from
2183 acquiring unless certain requirements have been met;
2184 prohibiting persons acquiring a certain percentage of
2185 voting securities from acquiring certain securities;



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2186 providing that a presumption of control may be
2187 rebutted by filing a disclaimer of control; deleting a
2188 definition; amending ss. 631.717 and 631.734, F.S.;
2189 transferring a provision relating to the obligations
2190 of the Florida Life and Health Insurance Guaranty
2191 Association; amending s. 634.406, F.S.; revising
2192 criteria authorizing premiums of certain service
2193 warranty associations to exceed their specified net
2194 assets limitations; revising requirements relating to
2195 contractual liability policies that insure warranty
2196 associations; providing effective dates.