

By the Committee on Banking and Insurance; and Senators Brandes and Soto

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1 A bill to be entitled
2 An act relating to insurance; amending s. 624.501,
3 F.S.; revising original appointment and renewal fees
4 related to certain insurance representatives; amending
5 s. 626.015, F.S.; defining the term "unaffiliated
6 insurance agent"; amending s. 626.0428, F.S.;
7 requiring a branch place of business to have an agent
8 in charge; authorizing an agent to be in charge of
9 more than one branch office under certain
10 circumstances; providing requirements relating to the
11 designation of an agent in charge; prohibiting an
12 insurance agency from conducting insurance business at
13 a location without a designated agent in charge;
14 providing that the agent in charge is accountable for
15 misconduct and violations committed by the licensee
16 and any person under his or her supervision; amending
17 s. 626.112, F.S.; prohibiting limited customer
18 representative licenses from being issued after a
19 specified date; providing licensure exemptions that
20 allow specified individuals or entities to conduct
21 insurance business at specified locations under
22 certain circumstances; revising licensure requirements
23 and penalties with respect to registered insurance
24 agencies; providing that the registration of an
25 approved registered insurance agency automatically
26 converts to an insurance agency license on a specified
27 date; amending s. 626.172, F.S.; revising requirements
28 relating to applications for insurance agency
29 licenses; conforming provisions to changes made by the

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30 act; amending s. 626.311, F.S.; limiting the types of
31 business that may be transacted by certain agents;
32 amending s. 626.321, F.S.; providing that a limited
33 license to offer motor vehicle rental insurance issued
34 to a business that rents or leases motor vehicles
35 encompasses the employees of such business; amending
36 s. 626.382, F.S.; providing that an insurance agency
37 license continues in force until canceled, suspended,
38 revoked, terminated, or expired; amending s. 626.601,
39 F.S.; revising terminology relating to investigations
40 conducted by the Department of Financial Services and
41 the Office of Insurance Regulation with respect to
42 individuals and entities involved in the insurance
43 industry; revising a confidentiality provision;
44 repealing s. 626.747, F.S., relating to branch
45 agencies, agents in charge, and the payment of
46 additional county tax under certain circumstances;
47 amending s. 626.8411, F.S.; conforming a cross-
48 reference; amending s. 626.854, F.S.; deleting the
49 requirement that a 48 hours' notice be provided before
50 scheduling an onsite inspection of insured property;
51 conforming a cross-reference; amending s. 626.8805,
52 F.S.; revising insurance administrator application
53 requirements; amending s. 626.8817, F.S.; authorizing
54 an insurer's designee to provide certain coverage
55 information to an insurance administrator; authorizing
56 an insurer to subcontract the review of an insurance
57 administrator; amending s. 626.882, F.S.; prohibiting
58 a person from acting as an insurance administrator

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59 without a specific written agreement; amending s.
60 626.883, F.S.; requiring an insurance administrator to
61 furnish fiduciary account records to an insurer;
62 requiring administrator withdrawals from a fiduciary
63 account to be made according to a specific written
64 agreement; providing that an insurer's designee may
65 authorize payment of claims; amending s. 626.884,
66 F.S.; revising an insurer's right of access to certain
67 administrator records; amending s. 626.89, F.S.;
68 revising the deadline for filing certain financial
69 statements; deleting provisions allowing an extension
70 for administrator to submit certain financial
71 statements; amending s. 626.931, F.S.; deleting
72 provisions requiring a surplus lines agent to file a
73 quarterly affidavit with the Florida Surplus Lines
74 Service Office; amending s. 626.932, F.S.; revising
75 the due date of surplus lines tax; amending ss.
76 626.935 and 626.936, F.S.; conforming provisions to
77 changes made by the act; amending s. 626.9541, F.S.;
78 revising provisions for unfair methods of competition
79 and unfair or deceptive acts relating to conducting
80 certain insurance transactions through credit card
81 facilities; amending s. 627.062, F.S.; authorizing the
82 Office of Insurance Regulation to use a straight
83 average of model results or output ranges to estimate
84 hurricane losses when determining whether the rates in
85 a rate filing are excessive, inadequate, or unfairly
86 discriminatory; amending s. 627.0628, F.S.; increasing
87 the length of time during which an insurer must adhere

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88 to certain findings made by the Commission on
89 Hurricane Loss Projection Methodology with respect to
90 certain methods, principles, standards, models, or
91 output ranges used in a rate filing; providing that
92 the requirement to adhere to such findings does not
93 limit an insurer from using straight averages of model
94 results or output ranges under specified
95 circumstances; amending s. 627.0651, F.S.; revising
96 provisions for making and use of rates for motor
97 vehicle insurance; amending s. 627.072, F.S.;;
98 authorizing retrospective rating plans relating to
99 workers' compensation and employer's liability
100 insurance to allow negotiations between certain
101 employers and insurers with respect to rating factors
102 used to calculate premiums; amending ss. 627.281,
103 F.S.; conforming a cross-reference; amending s.
104 627.311, F.S.; providing that certain dividends may be
105 retained by the joint underwriting plan for future
106 use; amending s. 627.3518, F.S.; conforming a cross-
107 reference; repealing s. 627.3519, F.S., relating to an
108 annual report on the aggregate report of maximum
109 losses of the Florida Hurricane Catastrophe Fund and
110 Citizens Property Insurance Corporation; amending s.
111 627.409, F.S.; providing that a claim for residential
112 property insurance may not be denied based on certain
113 credit information; amending s. 627.4133, F.S.;;
114 extending the period for prior notice required with
115 respect to the nonrenewal, cancellation, or
116 termination of certain insurance policies; deleting

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117 certain provisions that require extended periods of
118 prior notice with respect to the nonrenewal,
119 cancellation, or termination of certain insurance
120 policies; prohibiting the cancellation of certain
121 policies that have been in effect for a specified
122 amount of time, except under certain circumstances;
123 prohibiting the cancellation of a policy or contract
124 that has been in effect for a specified amount of time
125 based on certain credit information; amending s.
126 627.4137, F.S.; adding licensed company adjusters to
127 the list of persons who may respond to a claimant's
128 written request for information relating to liability
129 insurance coverage; amending s. 627.421, F.S.;
130 authorizing a policyholder of personal lines insurance
131 to affirmatively elect delivery of policy documents by
132 electronic means; amending s. 627.43141, F.S.;
133 authorizing a notice of change in policy terms to be
134 sent in a separate mailing to an insured under certain
135 circumstances; requiring an insurer to provide such
136 notice to the insured's insurance agent; creating s.
137 627.4553, F.S.; providing requirements for the
138 recommendation to surrender an annuity or life
139 insurance policy; amending s. 627.7015, F.S.; revising
140 the rulemaking authority of the department with
141 respect to qualifications and specified types of
142 penalties covered under the property insurance
143 mediation program; creating s. 627.70151, F.S.;
144 providing criteria for an insurer or policyholder to
145 challenge the impartiality of a loss appraisal umpire

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146 for purposes of disqualifying such umpire; amending s.
147 627.706, F.S.; revising the definition of the term
148 "neutral evaluator"; amending s. 627.7074, F.S.;
149 revising notification requirements for participation
150 in the neutral evaluation program; providing grounds
151 for the department to deny an application, or suspend
152 or revoke certification, of a neutral evaluator;
153 requiring the department to adopt rules relating to
154 certification of neutral evaluators; amending s.
155 627.711, F.S.; revising verification requirements for
156 uniform mitigation verification forms; amending s.
157 627.7283, F.S.; providing for the electronic transfer
158 of unearned premiums returned when a policy is
159 cancelled; amending s. 627.736, F.S.; revising the
160 time period for applicability of certain Medicare fee
161 schedules or payment limitations; amending s. 627.744,
162 F.S.; revising preinsurance inspection requirements
163 for private passenger motor vehicles; amending s.
164 627.745, F.S.; revising qualifications for approval as
165 a mediator by the department; providing grounds for
166 the department to deny an application, or suspend or
167 revoke approval of a mediator or certification of a
168 neutral evaluator; authorizing the department to adopt
169 rules; amending s. 627.782, F.S.; revising the date by
170 which title insurance agencies and certain insurers
171 must annually submit specified information to the
172 Office of Insurance Regulation; amending s. 628.461,
173 F.S.; revising filing requirements relating to the
174 acquisition of controlling stock; revising the amount

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175 of outstanding voting securities of a domestic stock
176 insurer or a controlling company that a person is
177 prohibited from acquiring unless certain requirements
178 have been met; prohibiting persons acquiring a certain
179 percentage of voting securities from acquiring certain
180 securities; providing that a presumption of control
181 may be rebutted by filing a disclaimer of control;
182 deleting a definition; amending ss. 631.717 and
183 631.734, F.S.; transferring a provision relating to
184 the obligations of the Florida Life and Health
185 Insurance Guaranty Association; amending s. 634.406,
186 F.S.; revising criteria authorizing premiums of
187 certain service warranty associations to exceed their
188 specified net assets limitations; revising
189 requirements relating to contractual liability
190 policies that insure warranty associations; providing
191 effective dates.

192
193 Be It Enacted by the Legislature of the State of Florida:

194
195 Section 1. Paragraphs (a) and (c) of subsection (6) and
196 subsections (7) and (8) of section 624.501, Florida Statutes,
197 are amended to read:

198 624.501 Filing, license, appointment, and miscellaneous
199 fees.—The department, commission, or office, as appropriate,
200 shall collect in advance, and persons so served shall pay to it
201 in advance, fees, licenses, and miscellaneous charges as
202 follows:

203 (6) Insurance representatives, property, marine, casualty,

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204 and surety insurance.

205 (a) Agent's original appointment and biennial renewal or
206 continuation thereof, each insurer or unaffiliated agent making
207 an appointment:

208	Appointment fee.....	\$42.00
209	State tax.....	12.00
210	County tax.....	6.00
211	Total.....	\$60.00

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

215 (7) Life insurance agents.

216 (a) Agent's original appointment and biennial renewal or
217 continuation thereof, each insurer or unaffiliated agent making
218 an appointment:

219	Appointment fee.....	\$42.00
220	State tax.....	12.00
221	County tax.....	6.00
222	Total.....	\$60.00

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

226 (8) Health insurance agents.

227 (a) Agent's original appointment and biennial renewal or
228 continuation thereof, each insurer or unaffiliated agent making
229 an appointment:

230	Appointment fee.....	\$42.00
231	State tax.....	12.00
232	County tax.....	6.00

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233 Total.....\$60.00

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

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

240 626.015 Definitions.—As used in this part:

241 (18) "Unaffiliated insurance agent" means a licensed
242 insurance agent, except a limited lines agent, who is self-
243 appointed and who practices as an independent consultant in the
244 business of analyzing or abstracting insurance policies,
245 providing insurance advice or counseling, or making specific
246 recommendations or comparisons of insurance products for a fee
247 established in advance by written contract signed by the
248 parties. An unaffiliated insurance agent may not be affiliated
249 with an insurer, insurer-appointed insurance agent, or insurance
250 agency contracted with or employing insurer-appointed insurance
251 agents.

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

254 626.0428 Agency personnel powers, duties, and limitations.—

255 (1) An individual employed by an agent or agency on salary
256 who devotes full time to clerical work, with incidental taking
257 of insurance applications or quoting or receiving premiums on
258 incoming inquiries in the office of the agent or agency, is not
259 deemed to be an agent or customer representative if his or her
260 compensation does not include in whole or in part any
261 commissions on such business and is not related to the

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262 production of applications, insurance, or premiums.

263 (2) An employee or authorized representative located at a
264 designated branch of an agent or agency may not bind insurance
265 coverage unless licensed and appointed as an agent or customer
266 representative.

267 (3) An employee or authorized representative of an agent or
268 agency may not initiate contact with any person for the purpose
269 of soliciting insurance unless licensed and appointed as an
270 agent or customer representative. As to title insurance, an
271 employee of an agent or agency may not initiate contact with any
272 individual proposed insured for the purpose of soliciting title
273 insurance unless licensed as a title insurance agent or exempt
274 from such licensure pursuant to s. 626.8417(4).

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

280 (b) Notwithstanding paragraph (a), the licensed agent in
281 charge of an insurance agency may also be the agent in charge of
282 additional branch office locations of the agency if insurance
283 activities requiring licensure as an insurance agent do not
284 occur at any location when an agent is not physically present
285 and unlicensed employees at the location do not engage in
286 insurance activities requiring licensure as an insurance agent
287 or customer representative.

288 (c) An insurance agency and each branch place of business
289 of an insurance agency shall designate an agent in charge and
290 file the name and license number of the agent in charge and the

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291 physical address of the insurance agency location with the
292 department and the department's website. The designation of the
293 agent in charge may be changed at the option of the agency. A
294 change of the designated agent in charge is effective upon
295 notice to the department. Notice to the department must be
296 provided within 30 days after such change.

297 (d) An insurance agency location may not conduct the
298 business of insurance unless an agent in charge is designated by
299 and providing services to the agency at all times. If the agent
300 in charge designated with the department ends his or her
301 affiliation with the agency for any reason and the agency fails
302 to designate another agent in charge within 30 days as provided
303 in paragraph (c) and such failure continues for 90 days, the
304 agency license automatically expires on the 91st day after the
305 date the designated agent in charge ended his or her affiliation
306 with the agency.

307 (e) For purposes of this subsection, an "agent in charge"
308 is the licensed and appointed agent responsible for the
309 supervision of all individuals within an insurance agency
310 location, regardless of whether the agent in charge handles a
311 specific transaction or deals with the general public in the
312 solicitation or negotiation of insurance contracts or the
313 collection or accounting of money.

314 (f) An agent in charge of an insurance agency is
315 accountable for the wrongful acts, misconduct, or violations of
316 this code committed by the licensee or by any person under his
317 or her supervision while acting on behalf of the agency.
318 However, an agent in charge is not criminally liable for any act
319 unless the agent in charge personally committed the act or knew

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320 or should have known of the act and of the facts constituting a
321 violation of this code.

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

324 626.112 License and appointment required; agents, customer
325 representatives, adjusters, insurance agencies, service
326 representatives, managing general agents.-

327 (1)

328 (b) Except as provided in subsection (6) or in applicable
329 department rules, and in addition to other conduct described in
330 this chapter with respect to particular types of agents, a
331 license as an insurance agent, service representative, customer
332 representative, or limited customer representative is required
333 in order to engage in the solicitation of insurance. Effective
334 October 1, 2014, limited customer representative licenses may
335 not be issued. For purposes of this requirement, as applicable
336 to ~~any of~~ the license types described in this section, the
337 solicitation of insurance is the attempt to persuade any person
338 to purchase an insurance product by:

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

341 2. Distributing an invitation to contract to prospective
342 purchasers;

343 3. Making general or specific recommendations as to
344 insurance products;

345 4. Completing orders or applications for insurance
346 products;

347 5. Comparing insurance products, advising as to insurance
348 matters, or interpreting policies or coverages; or

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349 6. Offering or attempting to negotiate on behalf of another
350 person a viatical settlement contract as defined in s. 626.9911.

351
352 However, an employee leasing company licensed under ~~pursuant to~~
353 chapter 468 which is seeking to enter into a contract with an
354 employer that identifies products and services offered to
355 employees may deliver proposals for the purchase of employee
356 leasing services to prospective clients of the employee leasing
357 company setting forth the terms and conditions of doing
358 business; classify employees as permitted by s. 468.529; collect
359 information from prospective clients and other sources as
360 necessary to perform due diligence on the prospective client and
361 to prepare a proposal for services; provide and receive
362 enrollment forms, plans, and other documents; and discuss or
363 explain in general terms the conditions, limitations, options,
364 or exclusions of insurance benefit plans available to the client
365 or employees of the employee leasing company were the client to
366 contract with the employee leasing company. Any advertising
367 materials or other documents describing specific insurance
368 coverages must identify and be from a licensed insurer or its
369 licensed agent or a licensed and appointed agent employed by the
370 employee leasing company. The employee leasing company may not
371 advise or inform the prospective business client or individual
372 employees of specific coverage provisions, exclusions, or
373 limitations of particular plans. As to clients for which the
374 employee leasing company is providing services pursuant to s.
375 468.525(4), the employee leasing company may engage in
376 activities permitted by ss. 626.7315, 626.7845, and 626.8305,
377 subject to the restrictions specified in those sections. If a

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378 prospective client requests more specific information concerning
379 the insurance provided by the employee leasing company, the
380 employee leasing company must refer the prospective business
381 client to the insurer or its licensed agent or to a licensed and
382 appointed agent employed by the employee leasing company.

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

385 626.112 License and appointment required; agents, customer
386 representatives, adjusters, insurance agencies, service
387 representatives, managing general agents.-

388 (7) (a) An ~~Effective October 1, 2006,~~ no individual, firm,
389 partnership, corporation, association, or ~~any~~ other entity may
390 not shall act in its own name or under a trade name, directly or
391 indirectly, as an insurance agency, ~~unless it possesses~~ complies
392 ~~with s. 626.172 with respect to possessing~~ an insurance agency
393 license issued pursuant to s. 626.172 for each place of business
394 at which it engages in ~~any~~ activity that which may be performed
395 only by a licensed insurance agent. However, an insurance agency
396 that is owned and operated by a single licensed agent conducting
397 business in his or her individual name and not employing or
398 otherwise using the services of or appointing other licensees is
399 exempt from the agency licensing requirements of this
400 subsection.

401 (b) A branch place of business which is established by a
402 licensed agency is considered a branch agency and is not
403 required to be licensed if it transacts business under the same
404 name and federal tax identification number as the licensed
405 agency, has designated a licensed agent in charge of the
406 location as required by s. 626.0428, and has submitted the

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407 address and telephone number of the location to the department
408 for inclusion in the licensing record of the licensed agency
409 within 30 days after insurance transactions begin at the
410 location ~~Each agency engaged in business in this state before~~
411 ~~January 1, 2003, which is wholly owned by insurance agents~~
412 ~~currently licensed and appointed under this chapter, each~~
413 ~~incorporated agency whose voting shares are traded on a~~
414 ~~securities exchange, each agency designated and subject to~~
415 ~~supervision and inspection as a branch office under the rules of~~
416 ~~the National Association of Securities Dealers, and each agency~~
417 ~~whose primary function is offering insurance as a service or~~
418 ~~member benefit to members of a nonprofit corporation may file an~~
419 ~~application for registration in lieu of licensure in accordance~~
420 ~~with s. 626.172(3). Each agency engaged in business before~~
421 ~~October 1, 2006, shall file an application for licensure or~~
422 ~~registration on or before October 1, 2006.~~

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

427 ~~2. If an agency is eligible for registration but fails to~~
428 ~~file an application for registration or an application for~~
429 ~~licensure in accordance with this section, the department shall~~
430 ~~impose on the agency an administrative penalty in an amount of~~
431 ~~up to \$5,000.~~

432 (d)(b) Effective October 1, 2015, the department must
433 automatically convert the registration of an approved a
434 registered insurance agency to shall, as a condition precedent
435 to continuing business, obtain an insurance agency license if

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436 ~~the department finds that, with respect to any majority owner,~~
437 ~~partner, manager, director, officer, or other person who manages~~
438 ~~or controls the agency, any person has:~~

439 ~~1. Been found guilty of, or has pleaded guilty or nolo~~
440 ~~contendere to, a felony in this state or any other state~~
441 ~~relating to the business of insurance or to an insurance agency,~~
442 ~~without regard to whether a judgment of conviction has been~~
443 ~~entered by the court having jurisdiction of the cases.~~

444 ~~2. Employed any individual in a managerial capacity or in a~~
445 ~~capacity dealing with the public who is under an order of~~
446 ~~revocation or suspension issued by the department. An insurance~~
447 ~~agency may request, on forms prescribed by the department,~~
448 ~~verification of any person's license status. If a request is~~
449 ~~mailed within 5 working days after an employee is hired, and the~~
450 ~~employee's license is currently suspended or revoked, the agency~~
451 ~~shall not be required to obtain a license, if the unlicensed~~
452 ~~person's employment is immediately terminated.~~

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

455 ~~4. With such frequency as to have made the operation of the~~
456 ~~agency hazardous to the insurance buying public or other~~
457 ~~persons:~~

458 ~~a. Solicited or handled controlled business. This~~
459 ~~subparagraph shall not prohibit the licensing of any lending or~~
460 ~~financing institution or creditor, with respect to insurance~~
461 ~~only, under credit life or disability insurance policies of~~
462 ~~borrowers from the institutions, which policies are subject to~~
463 ~~part IX of chapter 627.~~

464 ~~b. Misappropriated, converted, or unlawfully withheld~~

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465 ~~moneys belonging to insurers, insureds, beneficiaries, or others~~
466 ~~and received in the conduct of business under the license.~~

467 ~~e. Unlawfully rebated, attempted to unlawfully rebate, or~~
468 ~~unlawfully divided or offered to divide commissions with~~
469 ~~another.~~

470 ~~d. Misrepresented any insurance policy or annuity contract,~~
471 ~~or used deception with regard to any policy or contract, done~~
472 ~~either in person or by any form of dissemination of information~~
473 ~~or advertising.~~

474 ~~e. Violated any provision of this code or any other law~~
475 ~~applicable to the business of insurance in the course of dealing~~
476 ~~under the license.~~

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

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

481 ~~h. Violated the provision against twisting as defined in s.~~
482 ~~626.9541(1)(l).~~

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

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

487 ~~k. Engaged in fraudulent or dishonest practices in the~~
488 ~~conduct of business arising out of activities related to~~
489 ~~insurance or the insurance agency.~~

490 ~~l. Demonstrated lack of fitness or trustworthiness to~~
491 ~~engage in the business of insurance arising out of activities~~
492 ~~related to insurance or the insurance agency.~~

493 ~~m. Authorized or knowingly allowed individuals to transact~~

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494 ~~insurance who were not then licensed as required by this code.~~

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

498 ~~6. Willfully circumvented the requirements or prohibitions~~
499 ~~of this code.~~

500 Section 6. Subsections (2), (3), and (4) of section
501 626.172, Florida Statutes, are amended to read:

502 626.172 Application for insurance agency license.—

503 (2) An application for an insurance agency license must
504 ~~shall~~ be signed by an individual required to be listed in the
505 application under paragraph (a) the owner or owners of the
506 agency. If the agency is incorporated, the application shall be
507 signed by the president and secretary of the corporation. An
508 insurance agency may allow a third party to complete, submit,
509 and sign an application on the insurance agency's behalf, but
510 the insurance agency is responsible for ensuring that the
511 information on the application is true and correct and is
512 accountable for any misstatements or misrepresentations. The
513 application for an insurance agency license must shall include:

514 (a) The name of each ~~majority~~ owner, partner, officer, and
515 director, president, senior vice president, secretary,
516 treasurer, and limited liability company member, who directs or
517 participates in the management or control of the insurance
518 agency, whether through ownership of voting securities, by
519 contract, by ownership of an agency bank account, or otherwise.

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

522 (c) The name, principal business street address, and e-mail

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523 address of the insurance agency and the name, address, and e-
524 mail address of the agency's registered agent or person or
525 company authorized to accept service on behalf of the agency ~~its~~
526 ~~principal business address.~~

527 (d) The name, physical address, e-mail address, and
528 telephone number ~~location~~ of each branch agency and the date
529 that the branch location begins transacting insurance ~~office and~~
530 ~~the name under which each agency office conducts or will conduct~~
531 ~~business.~~

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

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

536 1. A sole proprietor;

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

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

540 ~~3.4.~~ Each individual owner who directs or participates in
541 the management or control of an incorporated agency whose shares
542 are not traded on a securities exchange;

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

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

548
549 Fingerprints must be taken by a law enforcement agency or other
550 entity approved by the department and must be accompanied by the
551 fingerprint processing fee specified in s. 624.501. Fingerprints

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552 must ~~shall~~ be processed in accordance with s. 624.34. However,
553 fingerprints need not be filed for an ~~any~~ individual who is
554 currently licensed and appointed under this chapter. This
555 paragraph does not apply to corporations whose voting shares are
556 traded on a securities exchange.

557 (g) Such additional information as the department requires
558 by rule to ascertain the trustworthiness and competence of
559 persons required to be listed on the application and to
560 ascertain that such persons meet the requirements of this code.
561 However, the department may not require that credit or character
562 reports be submitted for persons required to be listed on the
563 application.

564 ~~(3)(h) Beginning October 1, 2005,~~ The department must ~~shall~~
565 accept the uniform application for nonresident agency licensure.
566 The department may adopt by rule revised versions of the uniform
567 application.

568 ~~(3) The department shall issue a registration as an~~
569 ~~insurance agency to any agency that files a written application~~
570 ~~with the department and qualifies for registration. The~~
571 ~~application for registration shall require the agency to provide~~
572 ~~the same information required for an agency licensed under~~
573 ~~subsection (2), the agent identification number for each owner~~
574 ~~who is a licensed agent, proof that the agency qualifies for~~
575 ~~registration as provided in s. 626.112(7), and any other~~
576 ~~additional information that the department determines is~~
577 ~~necessary in order to demonstrate that the agency qualifies for~~
578 ~~registration. The application must be signed by the owner or~~
579 ~~owners of the agency. If the agency is incorporated, the~~
580 ~~application must be signed by the president and the secretary of~~

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581 ~~the corporation. An agent who owns the agency need not file~~
582 ~~fingerprints with the department if the agent obtained a license~~
583 ~~under this chapter and the license is currently valid.~~

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

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

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

596 (4) The department must ~~shall~~ issue a license ~~or~~
597 ~~registration~~ to each agency upon approval of the application,
598 and each agency location must ~~shall~~ display the license ~~or~~
599 ~~registration~~ prominently in a manner that makes it clearly
600 visible to any customer or potential customer who enters the
601 agency location.

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

605 626.311 Scope of license.—

606 (6) An agent who appoints his or her license as an
607 unaffiliated insurance agent may not hold an appointment from an
608 insurer for any license he or she holds; transact, solicit, or
609 service an insurance contract on behalf of an insurer; interfere

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610 with commissions received or to be received by an insurer-
611 appointed insurance agent or an insurance agency contracted with
612 or employing insurer-appointed insurance agents; or receive
613 compensation or any other thing of value from an insurer, an
614 insurer-appointed insurance agent, or an insurance agency
615 contracted with or employing insurer-appointed insurance agents
616 for any transaction or referral occurring after the date of
617 appointment as an unaffiliated insurance agent. An unaffiliated
618 insurance agent may continue to receive commissions on sales
619 that occurred before the date of appointment as an unaffiliated
620 insurance agent if the receipt of such commissions is disclosed
621 when making recommendations or evaluating products for a client
622 that involve products of the entity from which the commissions
623 are received.

624 Section 8. Paragraph (d) of subsection (1) of section
625 626.321, Florida Statutes, is amended to read:

626 626.321 Limited licenses.—

627 (1) The department shall issue to a qualified applicant a
628 license as agent authorized to transact a limited class of
629 business in any of the following categories of limited lines
630 insurance:

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

632 1. License covering only insurance of the risks set forth
633 in this paragraph when offered, sold, or solicited with and
634 incidental to the rental or lease of a motor vehicle and which
635 applies only to the motor vehicle that is the subject of the
636 lease or rental agreement and the occupants of the motor
637 vehicle:

638 a. Excess motor vehicle liability insurance providing

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639 coverage in excess of the standard liability limits provided by
640 the lessor in the lessor's lease to a person renting or leasing
641 a motor vehicle from the licensee's employer for liability
642 arising in connection with the negligent operation of the leased
643 or rented motor vehicle.

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

646 c. Insurance covering the loss of or damage to baggage,
647 personal effects, or travel documents of a person renting or
648 leasing a motor vehicle.

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

652 2. Insurance under a motor vehicle rental insurance license
653 may be issued only if the lease or rental agreement is for up to
654 ~~no more than~~ 60 days, the lessee is not provided coverage for
655 more than 60 consecutive days per lease period, and the lessee
656 is given written notice that his or her personal insurance
657 policy providing coverage on an owned motor vehicle may provide
658 coverage of such risks and that the purchase of the insurance is
659 not required in connection with the lease or rental of a motor
660 vehicle. If the lease is extended beyond 60 days, the coverage
661 may be extended ~~one time only~~ once for up to ~~a period not to~~
662 ~~exceed an additional~~ 60 days. Insurance may be provided to the
663 lessee as an additional insured on a policy issued to the
664 licensee's employer.

665 3. The license may be issued only to the full-time salaried
666 employee of a licensed general lines agent or to a business
667 entity that offers motor vehicles for rent or lease if insurance

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668 sales activities authorized by the license are in connection
669 with and incidental to the rental or lease of a motor vehicle.

670 a. A license issued to a business entity that offers motor
671 vehicles for rent or lease encompasses each office, branch
672 office, employee, authorized representative located at a
673 designated branch, or place of business making use of the
674 entity's business name in order to offer, solicit, and sell
675 insurance pursuant to this paragraph.

676 b. The application for licensure must list the name,
677 address, and phone number for each office, branch office, or
678 place of business which ~~that~~ is to be covered by the license.
679 The licensee shall notify the department of the name, address,
680 and phone number of any new location that is to be covered by
681 the license before the new office, branch office, or place of
682 business engages in the sale of insurance pursuant to this
683 paragraph. The licensee must notify the department within 30
684 days after closing or terminating an office, branch office, or
685 place of business. Upon receipt of the notice, the department
686 shall delete the office, branch office, or place of business
687 from the license.

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

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

692 626.382 Continuation, expiration of license; insurance
693 agencies.—The license of an ~~any~~ insurance agency ~~shall be issued~~
694 ~~for a period of 3 years and~~ shall continue in force until
695 canceled, suspended, or ~~revoked,~~ or until it is otherwise
696 terminated or becomes expired by operation of law. ~~A license may~~

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697 ~~be renewed by submitting a renewal request to the department on~~
698 ~~a form adopted by department rule.~~

699 Section 10. Section 626.601, Florida Statutes, is amended
700 to read:

701 626.601 Improper conduct; investigation inquiry;
702 fingerprinting.—

703 (1) The department or office may, upon its own motion or
704 upon a written complaint signed by an ~~any~~ interested person and
705 filed with the department or office, inquire into the ~~any~~
706 alleged improper conduct of any licensed, approved, or certified
707 licensee, insurance agency, agent, adjuster, service
708 representative, managing general agent, customer representative,
709 title insurance agent, title insurance agency, mediator, neutral
710 evaluator, navigator, continuing education course provider,
711 instructor, school official, or monitor group under this code.
712 The department or office may thereafter initiate an
713 investigation of ~~any~~ such individual or entity licensee if it
714 has reasonable cause to believe that the individual or entity
715 licensee has violated any provision of the insurance code.

716 During the course of its investigation, the department or office
717 shall contact the individual or entity licensee being
718 investigated unless it determines that contacting such
719 individual or entity person could jeopardize the successful
720 completion of the investigation or cause injury to the public.

721 (2) In the investigation by the department or office of the
722 alleged misconduct, the individual or entity licensee shall, if
723 ~~whenever so~~ required by the department or office, open the
724 individual's or entity's ~~cause his or her~~ books and records ~~to~~
725 ~~be open~~ for inspection for the purpose of such investigation

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726 ~~inquiries.~~

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

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

735 (5) If the department or office, after investigation, has
736 reason to believe that an individual ~~a licensee~~ may have been
737 found guilty of or pleaded guilty or nolo contendere to a felony
738 or a crime related to the business of insurance in this or any
739 other state or jurisdiction, the department or office may
740 require the individual licensee to file with the department or
741 office a complete set of his or her fingerprints, ~~which shall be~~
742 accompanied by the fingerprint processing fee set forth in s.
743 624.501. The fingerprints shall be taken by an authorized law
744 enforcement agency or other department-approved entity.

745 (6) The complaint and any information obtained pursuant to
746 the investigation by the department or office are confidential
747 and ~~are exempt from the provisions of~~ s. 119.07, unless the
748 department or office files a formal administrative complaint,
749 emergency order, or consent order against the individual or
750 entity licensee. ~~Nothing in~~ This subsection does not ~~shall be~~
751 ~~construed to~~ prevent the department or office from disclosing
752 the complaint or such information as it deems necessary to
753 conduct the investigation, to update the complainant as to the
754 status and outcome of the complaint, or to share such

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755 information with any law enforcement agency or other regulatory
756 body.

757 Section 11. Effective January 1, 2015, section 626.747,
758 Florida Statutes, is repealed.

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

761 626.8411 Application of Florida Insurance Code provisions
762 to title insurance agents or agencies.—

763 (1) The following provisions ~~of part II~~ applicable to
764 general lines agents or agencies also apply to title insurance
765 agents or agencies:

766 (a) Section 626.734, relating to liability of certain
767 agents.

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

770 (c) Section 626.749, relating to place of business in
771 residence.

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

773 (e) Section 626.754, relating to rights of agent following
774 termination of appointment.

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

777 626.854 "Public adjuster" defined; prohibitions.—The
778 Legislature finds that it is necessary for the protection of the
779 public to regulate public insurance adjusters and to prevent the
780 unauthorized practice of law.

781 ~~(14) A company employee adjuster, independent adjuster,~~
782 ~~attorney, investigator, or other persons acting on behalf of an~~
783 ~~insurer that needs access to an insured or claimant or to the~~

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784 ~~insured property that is the subject of a claim must provide at~~
785 ~~least 48 hours' notice to the insured or claimant, public~~
786 ~~adjuster, or legal representative before scheduling a meeting~~
787 ~~with the claimant or an onsite inspection of the insured~~
788 ~~property. The insured or claimant may deny access to the~~
789 ~~property if the notice has not been provided. The insured or~~
790 ~~claimant may waive the 48-hour notice.~~

791 ~~(17)(18) The provisions of Subsections (5)-(16) (5)-(17)~~
792 ~~apply only to residential property insurance policies and~~
793 ~~condominium unit owner policies as defined in s. 718.111(11).~~

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

796 626.8805 Certificate of authority to act as administrator.-

797 (2) The administrator shall file with the office an
798 application for a certificate of authority upon a form to be
799 adopted by the commission and furnished by the office, which
800 application shall include or have attached the following
801 information and documents:

802 (c) The names, addresses, official positions, and
803 professional qualifications of the individuals employed or
804 retained by the administrator who are responsible for the
805 conduct of the affairs of the administrator, including all
806 members of the board of directors, board of trustees, executive
807 committee, or other governing board or committee, and the
808 principal officers in the case of a corporation or, the partners
809 or members in the case of a partnership or association, ~~and any~~
810 ~~other person who exercises control or influence over the affairs~~
811 of the administrator.

812 (3) The applicant shall make available for inspection by

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813 the office copies of all contracts relating to services provided
814 by the administrator to ~~with~~ insurers or other persons using
815 ~~utilizing~~ the services of the administrator.

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

818 626.8817 Responsibilities of insurance company with respect
819 to administration of coverage insured.—

820 (1) If an insurer uses the services of an administrator,
821 the insurer is responsible for determining the benefits, premium
822 rates, underwriting criteria, and claims payment procedures
823 applicable to the coverage and for securing reinsurance, if any.
824 The rules pertaining to these matters shall be provided, in
825 writing, by the insurer or its designee to the administrator.
826 The responsibilities of the administrator as to any of these
827 matters shall be set forth in a ~~the~~ written agreement binding
828 upon ~~between~~ the administrator and the insurer.

829 (3) ~~If in cases in which~~ an administrator administers
830 benefits for more than 100 certificateholders on behalf of an
831 insurer, the insurer shall, at least semiannually, conduct a
832 review of the operations of the administrator. At least one such
833 review must be an onsite audit of the operations of the
834 administrator. The insurer may contract with a qualified third
835 party to conduct such review.

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

838 626.882 Agreement between administrator and insurer;
839 required provisions; maintenance of records.—

840 (1) A ~~No~~ person may not act as an administrator without a
841 written agreement, as required under s. 626.8817, which

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842 specifies the rights, duties, and obligations of the ~~between~~
843 ~~such person as~~ administrator and ~~an~~ insurer.

844 (4) If a policy is issued to a trustee or trustees, a copy
845 of the trust agreement and any amendments to that agreement
846 shall be furnished to the insurer or its designee by the
847 administrator and shall be retained as part of the official
848 records of both the administrator and the insurer for the
849 duration of the policy and for 5 years thereafter.

850 Section 17. Subsections (3), (4), and (5) of section
851 626.883, Florida Statutes, are amended to read:

852 626.883 Administrator as intermediary; collections held in
853 fiduciary capacity; establishment of account; disbursement;
854 payments on behalf of insurer.—

855 (3) If charges or premiums deposited in a fiduciary account
856 have been collected on behalf of or for more than one insurer,
857 the administrator shall keep records clearly recording the
858 deposits in and withdrawals from such account on behalf of or
859 for each insurer. The administrator shall, upon request of an
860 insurer or its designee, furnish such insurer or designee with
861 copies of records pertaining to deposits and withdrawals on
862 behalf of or for such insurer.

863 (4) The administrator may not pay any claim by withdrawals
864 from a fiduciary account. Withdrawals from such account shall be
865 made as provided in the written agreement required under ss.
866 626.8817 and 626.882 ~~between the administrator and the insurer~~
867 for any of the following:

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

869 (b) Deposit in an account maintained in the name of such
870 insurer.

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

873 (d) Payment to a group policyholder for remittance to the
874 insurer entitled to such remittance.

875 (e) Payment to the administrator of the commission, fees,
876 or charges of the administrator.

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

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

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

884 626.884 Maintenance of records by administrator; access;
885 confidentiality.—

886 (3) The insurer shall retain the right of continuing access
887 to books and records maintained by the administrator sufficient
888 to permit the insurer to fulfill all of its contractual
889 obligations to insured persons, subject to any restrictions in
890 the written agreement pertaining to ~~between the insurer and the~~
891 ~~administrator~~ on the proprietary rights of the parties in such
892 books and records.

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

895 626.89 Annual financial statement and filing fee; notice of
896 change of ownership.—

897 (1) Each authorized administrator shall annually file with
898 the office a full and true statement of its financial condition,
899 transactions, and affairs within 3 months after the end of the

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900 ~~administrator's fiscal year. The statement shall be filed~~
901 ~~annually on or before March 1~~ or within such extension of time
902 ~~therefor~~ as the office for good cause may have granted. The
903 statement must ~~and shall~~ be for the preceding fiscal calendar
904 year and must. ~~The statement shall~~ be in such form and contain
905 such matters as the commission prescribes and must ~~shall~~ be
906 verified by at least two officers of the ~~such~~ administrator. An
907 administrator whose sole stockholder is an association
908 representing health care providers which is not an affiliate of
909 an insurer, an administrator of a pooled governmental self-
910 insurance program, or an administrator that is a university may
911 submit the preceding fiscal year's statement within 2 months
912 after its fiscal year end.

913 (2) Each authorized administrator shall also file an
914 audited financial statement performed by an independent
915 certified public accountant. The audited financial statement
916 shall be filed with the office within 5 months after the end of
917 the administrator's fiscal year and be on or before June 1 for
918 the preceding fiscal calendar year ending ~~December 31~~. An
919 administrator whose sole stockholder is an association
920 representing health care providers which is not an affiliate of
921 an insurer, an administrator of a pooled governmental self-
922 insurance program, or an administrator that is a university may
923 submit the preceding fiscal year's audited financial statement
924 within 5 months after the end of its fiscal year. An audited
925 financial statement prepared on a consolidated basis must
926 include a columnar consolidating or combining worksheet that
927 must be filed with the statement and must comply with the
928 following:

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929 (a) Amounts shown on the consolidated audited financial
930 statement must be shown on the worksheet;

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

932 (c) Explanations of consolidating and eliminating entries
933 must be included.

934 Section 20. Section 626.931, Florida Statutes, is amended
935 to read:

936 626.931 ~~Agent affidavit and Insurer reporting~~
937 requirements.-

938 ~~(1) Each surplus lines agent shall on or before the 45th~~
939 ~~day following each calendar quarter file with the Florida~~
940 ~~Surplus Lines Service Office an affidavit, on forms as~~
941 ~~prescribed and furnished by the Florida Surplus Lines Service~~
942 ~~Office, stating that all surplus lines insurance transacted by~~
943 ~~him or her during such calendar quarter has been submitted to~~
944 ~~the Florida Surplus Lines Service Office as required.~~

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

948 (1)~~(3)~~ Each foreign insurer accepting premiums shall, on or
949 before the end of the month following each calendar quarter,
950 file with the Florida Surplus Lines Service Office a verified
951 report of all surplus lines insurance transacted by such insurer
952 for insurance risks located in this state during the ~~such~~
953 calendar quarter.

954 (2)~~(4)~~ Each alien insurer accepting premiums shall, on or
955 before June 30 of each year, file with the Florida Surplus Lines
956 Service Office a verified report of all surplus lines insurance
957 transacted by such insurer for insurance risks located in this

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958 state during the preceding calendar year.

959 ~~(3)(5)~~ The department may waive the filing requirements
960 described in subsections (1) ~~(3)~~ and (2) ~~(4)~~.

961 ~~(4)(6)~~ Each insurer's report and supporting information
962 shall be in a computer-readable format as determined by the
963 Florida Surplus Lines Service Office or ~~shall~~ be submitted on
964 forms prescribed by the Florida Surplus Lines Service Office and
965 ~~shall~~ show for each applicable agent:

966 (a) A listing of all policies, certificates, cover notes,
967 or other forms of confirmation of insurance coverage or any
968 substitutions thereof or endorsements thereto and the
969 identifying number; and

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

972 Section 21. Paragraph (a) of subsection (2) of section
973 626.932, Florida Statutes, is amended to read:

974 626.932 Surplus lines tax.—

975 (2) (a) The surplus lines agent shall make payable to the
976 department the tax related to each calendar quarter's business
977 as reported to the Florida Surplus Lines Service Office, and
978 remit the tax to the Florida Surplus Lines Service Office on or
979 before the 45th day after each calendar quarter ~~at the same time~~
980 ~~as provided for the filing of the quarterly affidavit, under s.~~
981 ~~626.931~~. The Florida Surplus Lines Service Office shall forward
982 to the department the taxes and any interest collected pursuant
983 to paragraph (b), within 10 days after ~~of~~ receipt.

984 Section 22. Subsection (1) of section 626.935, Florida
985 Statutes, is amended to read:

986 626.935 Suspension, revocation, or refusal of surplus lines

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987 agent's license.—

988 (1) The department shall deny an application for, suspend,
989 revoke, or refuse to renew the appointment of a surplus lines
990 agent and all other licenses and appointments held by the
991 licensee under this code~~7~~ on any of the following grounds:

992 (a) Removal of the licensee's office from the licensee's
993 state of residence.

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

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

1000 ~~(d) Failure to make and file his or her affidavit or~~
1001 ~~reports when due as required by s. 626.931.~~

1002 (d)~~(e)~~ Failure to pay the tax or service fee on surplus
1003 lines premiums~~7~~, as provided in the Surplus Lines Law.

1004 (e)~~(f)~~ Suspension, revocation, or refusal to renew or
1005 continue the license or appointment as a general lines agent,
1006 service representative, or managing general agent.

1007 (f)~~(g)~~ Lack of qualifications as for an original surplus
1008 lines agent's license.

1009 (g)~~(h)~~ Violation of this Surplus Lines Law.

1010 (h)~~(i)~~ ~~For~~ Any other applicable cause for which the license
1011 of a general lines agent could be suspended, revoked, or refused
1012 under s. 626.611 or s. 626.621.

1013 Section 23. Subsection (1) of section 626.936, Florida
1014 Statutes, is amended to read:

1015 626.936 Failure to file reports or pay tax or service fee;

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1016 administrative penalty.-

1017 (1) A ~~Any~~ licensed surplus lines agent who neglects to file
1018 a report ~~or an affidavit~~ in the form and within the time
1019 required under ~~or provided for in~~ the Surplus Lines Law may be
1020 fined up to \$50 per day for each day the neglect continues,
1021 beginning the day after the report ~~or affidavit~~ was due until
1022 the date the report ~~or affidavit~~ is received. All sums collected
1023 under this section shall be deposited into the Insurance
1024 Regulatory Trust Fund.

1025 Section 24. Paragraph (q) of subsection (1) of section
1026 626.9541, Florida Statutes, is amended to read:

1027 626.9541 Unfair methods of competition and unfair or
1028 deceptive acts or practices defined.-

1029 (1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE
1030 ACTS.-The following are defined as unfair methods of competition
1031 and unfair or deceptive acts or practices:

1032 (q) *Certain insurance transactions through credit card*
1033 *facilities prohibited.-*

1034 1. Except as provided in subparagraph 3., no person shall
1035 knowingly solicit or negotiate ~~any~~ insurance; seek or accept
1036 applications for insurance; issue or deliver any policy;
1037 receive, collect, or transmit premiums, to or for an ~~any~~
1038 insurer; or otherwise transact insurance in this state, or
1039 relative to a subject of insurance resident, located, or to be
1040 performed in this state, through the arrangement or facilities
1041 of a credit card facility or organization, for the purpose of
1042 insuring credit card holders or prospective credit card holders.
1043 The term "credit card holder" as used in this paragraph means a
1044 ~~any~~ person who may pay the charge for purchases or other

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1045 transactions through the credit card facility or organization,
1046 whose credit with such facility or organization is evidenced by
1047 a credit card identifying such person as being one whose charges
1048 the credit card facility or organization will pay, and who is
1049 identified as such upon the credit card ~~either~~ by name, account
1050 number, symbol, insignia, or ~~any~~ other method or device of
1051 identification. This subparagraph does not apply as to health
1052 insurance or to credit life, credit disability, or credit
1053 property insurance.

1054 2. If ~~Whenever~~ any person does or performs in this state
1055 any of the acts in violation of subparagraph 1. for or on behalf
1056 of an ~~any~~ insurer or credit card facility, such insurer or
1057 credit card facility shall be deemed ~~held~~ to be doing business
1058 in this state and, if an insurer, shall be subject to the same
1059 state, county, and municipal taxes as insurers that have been
1060 legally qualified and admitted to do business in this state by
1061 agents or otherwise are subject, the same to be assessed and
1062 collected against such insurers; and such person so doing or
1063 performing any of such acts is ~~shall be~~ personally liable for
1064 all such taxes.

1065 3. A licensed agent or insurer may solicit or negotiate ~~any~~
1066 insurance; seek or accept applications for insurance; issue or
1067 deliver any policy; receive, collect, or transmit premiums, to
1068 or for an ~~any~~ insurer; or otherwise transact insurance in this
1069 state, or relative to a subject of insurance resident, located,
1070 or to be performed in this state, through the arrangement or
1071 facilities of a credit card facility or organization, for the
1072 purpose of insuring credit card holders or prospective credit
1073 card holders if:

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1074 a. The insurance or policy which is the subject of the
1075 transaction is noncancelable by any person other than the named
1076 insured, the policyholder, or the insurer;

1077 b. Any refund of unearned premium is made ~~directly~~ to the
1078 credit card holder by mail or electronic transfer; and

1079 c. The credit card transaction is authorized by the
1080 signature of the credit card holder or other person authorized
1081 to sign on the credit card account.

1082
1083 The conditions enumerated in sub-subparagraphs a.-c. do not
1084 apply to health insurance or to credit life, credit disability,
1085 or credit property insurance; and sub-subparagraph c. does not
1086 apply to property and casualty insurance if ~~so long as~~ the
1087 transaction is authorized by the insured.

1088 4. No person may use or disclose information resulting from
1089 the use of a credit card in conjunction with the purchase of
1090 insurance if, ~~when~~ such information is to the advantage of the
1091 ~~such~~ credit card facility or an insurance agent, or is to the
1092 detriment of the insured or any other insurance agent; except
1093 that this provision does not prohibit a credit card facility
1094 from using or disclosing such information in a ~~any~~ judicial
1095 proceeding or consistent with applicable law on credit
1096 reporting.

1097 5. ~~No~~ Such insurance may not ~~shall~~ be sold through a credit
1098 card facility in conjunction with membership in any automobile
1099 club. The term "automobile club" means a legal entity that
1100 ~~which~~, in consideration of dues, assessments, or periodic
1101 payments of money, promises its members or subscribers to assist
1102 them in matters relating to the ownership, operation, use, or

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1103 maintenance of a motor vehicle; however, the term ~~definition of~~
1104 ~~automobile clubs~~ does not include persons, associations, or
1105 corporations that ~~which~~ are organized and operated solely for
1106 the purpose of conducting, sponsoring, or sanctioning motor
1107 vehicle races, exhibitions, or contests upon racetracks, or upon
1108 race courses established and marked as such for the duration of
1109 such particular event. The words "motor vehicle" used herein
1110 shall be the same as defined in chapter 320.

1111 Section 25. Paragraph (b) of subsection (2) of section
1112 627.062, Florida Statutes, is amended to read:

1113 627.062 Rate standards.—

1114 (2) As to all such classes of insurance:

1115 (b) Upon receiving a rate filing, the office shall review
1116 the filing to determine whether the ~~if a~~ rate is excessive,
1117 inadequate, or unfairly discriminatory. In making that
1118 determination, the office shall, in accordance with generally
1119 accepted and reasonable actuarial techniques, consider the
1120 following factors:

1121 1. Past and prospective loss experience within and without
1122 this state.

1123 2. Past and prospective expenses.

1124 3. The degree of competition among insurers for the risk
1125 insured.

1126 4. Investment income reasonably expected by the insurer,
1127 consistent with the insurer's investment practices, from
1128 investable premiums anticipated in the filing, plus any other
1129 expected income from currently invested assets representing the
1130 amount expected on unearned premium reserves and loss reserves.

1131 The commission may adopt rules using reasonable techniques of

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1132 actuarial science and economics to specify the manner in which
 1133 insurers calculate investment income attributable to classes of
 1134 insurance written in this state and the manner in which
 1135 investment income is used to calculate insurance rates. Such
 1136 manner must contemplate allowances for an underwriting profit
 1137 factor and full consideration of investment income that ~~which~~
 1138 produce a reasonable rate of return; however, investment income
 1139 from invested surplus may not be considered.

1140 5. The reasonableness of the judgment reflected in the
 1141 filing.

1142 6. Dividends, savings, or unabsorbed premium deposits
 1143 allowed or returned to Florida policyholders, members, or
 1144 subscribers.

1145 7. The adequacy of loss reserves.

1146 8. The cost of reinsurance. The office may not disapprove a
 1147 rate as excessive solely due to the insurer's ~~insurer~~ having
 1148 obtained catastrophic reinsurance to cover the insurer's
 1149 estimated 250-year probable maximum loss or any lower level of
 1150 loss.

1151 9. Trend factors, including trends in actual losses per
 1152 insured unit for the insurer making the filing.

1153 10. Conflagration and catastrophe hazards, if applicable.

1154 11. Projected hurricane losses, if applicable, which must
 1155 be estimated using a model or method, or a straight average of
 1156 model results or output ranges, which are independently found to
 1157 be acceptable or reliable by the Florida Commission on Hurricane
 1158 Loss Projection Methodology~~7~~ and as further provided in s.
 1159 627.0628.

1160 12. A reasonable margin for underwriting profit and

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1161 contingencies.

1162 13. The cost of medical services, if applicable.

1163 14. Other relevant factors that affect the frequency or
1164 severity of claims or expenses.

1165 Section 26. Paragraph (d) of subsection (3) of section
1166 627.0628, Florida Statutes, is amended to read:

1167 627.0628 Florida Commission on Hurricane Loss Projection
1168 Methodology; public records exemption; public meetings
1169 exemption.—

1170 (3) ADOPTION AND EFFECT OF STANDARDS AND GUIDELINES.—

1171 (d) With respect to a rate filing under s. 627.062, an
1172 insurer shall employ and may not modify or adjust actuarial
1173 methods, principles, standards, models, or output ranges found
1174 by the commission to be accurate or reliable in determining
1175 hurricane loss factors for use in a rate filing under s.

1176 627.062. An insurer shall employ and may not modify or adjust
1177 models found by the commission to be accurate or reliable in
1178 determining probable maximum loss levels pursuant to paragraph
1179 (b) with respect to a rate filing under s. 627.062 made more
1180 than 180 ~~60~~ days after the commission has made such findings.

1181 This paragraph does not prohibit an insurer from using a
1182 straight average of model results or output ranges or using
1183 straight averages for the purposes of a rate filing under s.
1184 627.062.

1185 Section 27. Subsection (8) of section 627.0651, Florida
1186 Statutes, is amended to read:

1187 627.0651 Making and use of rates for motor vehicle
1188 insurance.—

1189 (8) Rates are not unfairly discriminatory if averaged

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1190 broadly among members of a group; nor are rates unfairly
 1191 discriminatory even though they are lower than rates for
 1192 nonmembers of the group. However, such rates are unfairly
 1193 discriminatory if they are not actuarially measurable and
 1194 credible and sufficiently related to actual or expected loss and
 1195 expense experience of the group so as to ensure ~~assure~~ that
 1196 nonmembers of the group are not unfairly discriminated against.
 1197 Use of a single United States Postal Service zip code as a
 1198 rating territory shall be deemed unfairly discriminatory unless
 1199 filed pursuant to paragraph (1)(a) and such rating territory
 1200 incorporates sufficient actual or expected loss and loss
 1201 adjustment expense experience so as to be actuarially measurable
 1202 and credible.

1203 Section 28. Present subsections (2) through (4) of section
 1204 627.072, Florida Statutes, are redesignated as subsections (3)
 1205 through (5), respectively, and a new subsection (2) is added to
 1206 that section, to read:

1207 627.072 Making and use of rates.—

1208 (2) A retrospective rating plan may contain a provision
 1209 that allows for the negotiation of premium between the employer
 1210 and the insurer for employers having exposure in more than one
 1211 state, an estimated annual standard premium in this state of
 1212 \$175,000, and an estimated annual countrywide standard premium
 1213 of \$1 million or more for workers' compensation.

1214 Section 29. Subsection (2) of section 627.281, Florida
 1215 Statutes, is amended to read:

1216 627.281 Appeal from rating organization; workers'
 1217 compensation and employer's liability insurance filings.—

1218 (2) If the ~~such~~ appeal is based on ~~upon~~ the failure of the

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1219 rating organization to make a filing on behalf of a ~~such~~ member
1220 or subscriber which is based on a system of expense provisions
1221 which ~~differs~~, in accordance with the right granted in s.
1222 627.072(3) ~~627.072(2)~~, differs from the system of expense
1223 provisions included in a filing made by the rating organization,
1224 the office shall, if it grants the appeal, order the rating
1225 organization to make the requested filing for use by the
1226 appellant. In deciding such appeal, the office shall apply the
1227 applicable standards set forth in ss. 627.062 and 627.072.

1228 Section 30. Paragraph (h) of subsection (5) of section
1229 627.311, Florida Statutes, is amended to read:

1230 627.311 Joint underwriters and joint reinsurers; public
1231 records and public meetings exemptions.—

1232 (5)

1233 (h) Any premium or assessments collected by the plan in
1234 excess of the amount necessary to fund projected ultimate
1235 incurred losses and expenses of the plan and not paid to
1236 insureds of the plan in conjunction with loss prevention or
1237 dividend programs shall be retained by the plan for future use.
1238 Any state funds received by the plan in excess of the amount
1239 necessary to fund deficits in subplan D or any tier shall be
1240 returned to the state. Any dividend payable to a former insured
1241 of the plan may be retained by the plan for future use upon such
1242 terms as set forth in the declaration of dividend.

1243 Section 31. Subsection (9) of section 627.3518, Florida
1244 Statutes, is amended to read:

1245 627.3518 Citizens Property Insurance Corporation
1246 policyholder eligibility clearinghouse program.—The purpose of
1247 this section is to provide a framework for the corporation to

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1248 implement a clearinghouse program by January 1, 2014.

1249 (9) The 45-day notice of nonrenewal requirement set forth
1250 in s. 627.4133(2)(b)5. ~~627.4133(2)(b)4.b.~~ applies when a policy
1251 is nonrenewed by the corporation because the risk has received
1252 an offer of coverage pursuant to this section which renders the
1253 risk ineligible for coverage by the corporation.

1254 Section 32. Section 627.3519, Florida Statutes, is
1255 repealed.

1256 Section 33. Section 627.409, Florida Statutes, is amended
1257 to read:

1258 627.409 Representations in applications; warranties.-

1259 (1) Any statement or description made by or on behalf of an
1260 insured or annuitant in an application for an insurance policy
1261 or annuity contract, or in negotiations for a policy or
1262 contract, is a representation and ~~is~~ not a warranty. Except as
1263 provided in subsection (3), a misrepresentation, omission,
1264 concealment of fact, or incorrect statement may prevent recovery
1265 under the contract or policy only if any of the following apply:

1266 (a) The misrepresentation, omission, concealment, or
1267 statement is fraudulent or is material ~~either~~ to the acceptance
1268 of the risk or to the hazard assumed by the insurer.

1269 (b) If the true facts had been known to the insurer
1270 pursuant to a policy requirement or other requirement, the
1271 insurer in good faith would not have issued the policy or
1272 contract, would not have issued it at the same premium rate,
1273 would not have issued a policy or contract in as large an
1274 amount, or would not have provided coverage with respect to the
1275 hazard resulting in the loss.

1276 (2) A breach or violation by the insured of a any warranty,

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1277 condition, or provision of a any wet marine or transportation
1278 insurance policy, contract of insurance, endorsement, or
1279 application ~~therefor~~ does not void the policy or contract, or
1280 constitute a defense to a loss thereon, unless such breach or
1281 violation increased the hazard by any means within the control
1282 of the insured.

1283 (3) For residential property insurance, if a policy or
1284 contract is in effect for more than 90 days, a claim filed by
1285 the insured may not be denied based on credit information
1286 available in public records.

1287 Section 34. Paragraph (b) of subsection (2) of section
1288 627.4133, Florida Statutes, is amended to read:

1289 627.4133 Notice of cancellation, nonrenewal, or renewal
1290 premium.—

1291 (2) With respect to a any personal lines or commercial
1292 residential property insurance policy, including a, ~~but not~~
1293 ~~limited to, any~~ homeowner's, mobile home owner's, farmowner's,
1294 condominium association, condominium unit owner's, apartment
1295 building, or other policy covering a residential structure or
1296 its contents:

1297 (b) The insurer shall give the first-named insured written
1298 notice of nonrenewal, cancellation, or termination at least 120
1299 ~~100~~ days before the effective date of the nonrenewal,
1300 cancellation, or termination. ~~However, the insurer shall give at~~
1301 ~~least 100 days' written notice, or written notice by June 1,~~
1302 ~~whichever is earlier, for any nonrenewal, cancellation, or~~
1303 ~~termination that would be effective between June 1 and November~~
1304 ~~30.~~ The notice must include the reason or reasons for the
1305 nonrenewal, cancellation, or termination, except that:

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1306 ~~1. The insurer shall give the first named insured written~~
1307 ~~notice of nonrenewal, cancellation, or termination at least 120~~
1308 ~~days prior to the effective date of the nonrenewal,~~
1309 ~~cancellation, or termination for a first named insured whose~~
1310 ~~residential structure has been insured by that insurer or an~~
1311 ~~affiliated insurer for at least a 5 year period immediately~~
1312 ~~prior to the date of the written notice.~~

1313 1.2. If cancellation is for nonpayment of premium, at least
1314 10 days' written notice of cancellation accompanied by the
1315 reason therefor must be given. As used in this subparagraph, the
1316 term "nonpayment of premium" means failure of the named insured
1317 to discharge when due her or his obligations for paying the
1318 premium ~~in connection with the payment of premiums~~ on a policy
1319 or an ~~any~~ installment of such premium, whether the premium is
1320 payable directly to the insurer or its agent or indirectly under
1321 any premium finance plan or extension of credit, or failure to
1322 maintain membership in an organization if such membership is a
1323 condition precedent to insurance coverage. The term also means
1324 the failure of a financial institution to honor an insurance
1325 applicant's check after delivery to a licensed agent for payment
1326 of a premium, even if the agent has previously delivered or
1327 transferred the premium to the insurer. If a dishonored check
1328 represents the initial premium payment, the contract and all
1329 contractual obligations are void ab initio unless the nonpayment
1330 is cured within the earlier of 5 days after actual notice by
1331 certified mail is received by the applicant or 15 days after
1332 notice is sent to the applicant by certified mail or registered
1333 mail. ~~and~~ If the contract is void, any premium received by the
1334 insurer from a third party must be refunded to that party in

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1335 full.

1336 ~~2.3.~~ If ~~such~~ cancellation or termination occurs during the
1337 first 90 days the insurance is in force and the insurance is
1338 canceled or terminated for reasons other than nonpayment of
1339 premium, at least 20 days' written notice of cancellation or
1340 termination accompanied by the reason therefor must be given
1341 unless there has been a material misstatement or
1342 misrepresentation or failure to comply with the underwriting
1343 requirements established by the insurer.

1344 3. After the policy has been in effect for 90 days, the
1345 insurer may not cancel the policy unless there has been a
1346 material misstatement, a nonpayment of premium, a failure to
1347 comply with underwriting requirements established by the insurer
1348 within 90 days after the date of effectuation of coverage, or a
1349 substantial change in the risk covered by the policy or the
1350 cancellation is for all insureds under such policies for a class
1351 of insureds. This subparagraph does not apply to individually
1352 rated risks having a policy term of less than 90 days.

1353 4. After a policy or contract has been in effect for 90
1354 days, the insurer may not cancel or terminate the policy or
1355 contract based on credit information available in public
1356 records. ~~The requirement for providing written notice by June 1~~
1357 ~~of any nonrenewal that would be effective between June 1 and~~
1358 ~~November 30 does not apply to the following situations, but the~~
1359 ~~insurer remains subject to the requirement to provide such~~
1360 ~~notice at least 100 days before the effective date of~~
1361 ~~nonrenewal:~~

1362 ~~a. A policy that is nonrenewed due to a revision in the~~
1363 ~~coverage for sinkhole losses and catastrophic ground cover~~

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1364 ~~collapse pursuant to s. 627.706.~~

1365 5.b. A policy that is nonrenewed by Citizens Property
1366 Insurance Corporation, pursuant to s. 627.351(6), for a policy
1367 that has been assumed by an authorized insurer offering
1368 replacement coverage to the policyholder is exempt from the
1369 notice requirements of paragraph (a) and this paragraph. In such
1370 cases, the corporation must give the named insured written
1371 notice of nonrenewal at least 45 days before the effective date
1372 of the nonrenewal.

1373
1374 ~~After the policy has been in effect for 90 days, the policy may
1375 not be canceled by the insurer unless there has been a material
1376 misstatement, a nonpayment of premium, a failure to comply with
1377 underwriting requirements established by the insurer within 90
1378 days after the date of effectuation of coverage, or a
1379 substantial change in the risk covered by the policy or if the
1380 cancellation is for all insureds under such policies for a given
1381 class of insureds. This paragraph does not apply to individually
1382 rated risks having a policy term of less than 90 days.~~

1383 6.5. Notwithstanding any other ~~provision of law~~, an insurer
1384 may cancel or nonrenew a property insurance policy after at
1385 least 45 days' notice if the office finds that the early
1386 cancellation of some or all of the insurer's policies is
1387 necessary to protect the best interests of the public or
1388 policyholders and the office approves the insurer's plan for
1389 early cancellation or nonrenewal of some or all of its policies.
1390 The office may base such finding upon the financial condition of
1391 the insurer, lack of adequate reinsurance coverage for hurricane
1392 risk, or other relevant factors. The office may condition its

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1393 finding on the consent of the insurer to be placed under
1394 administrative supervision pursuant to s. 624.81 or to the
1395 appointment of a receiver under chapter 631.

1396 ~~7.6.~~ A policy covering both a home and a motor vehicle may
1397 be nonrenewed for any reason applicable to ~~either~~ the property
1398 or motor vehicle insurance after providing 90 days' notice.

1399 Section 35. Subsection (1) of section 627.4137, Florida
1400 Statutes, is amended to read:

1401 627.4137 Disclosure of certain information required.-

1402 (1) Each insurer that provides ~~which does~~ or may provide
1403 liability insurance coverage to pay all or a portion of a ~~any~~
1404 claim that ~~which~~ might be made shall ~~provide~~, within 30 days
1405 after ~~of~~ the written request of the claimant, provide a
1406 statement, under oath, of a corporate officer or the insurer's
1407 claims manager, ~~or~~ superintendent, or licensed company adjuster
1408 setting forth the following information with regard to each
1409 known policy of insurance, including excess or umbrella
1410 insurance:

1411 (a) The name of the insurer.

1412 (b) The name of each insured.

1413 (c) The limits of the liability coverage.

1414 (d) A statement of any policy or coverage defense that the
1415 ~~which such~~ insurer reasonably believes is available to the ~~such~~
1416 insurer at the time of filing such statement.

1417 (e) A copy of the policy.

1418
1419 ~~In addition,~~ The insured, or her or his insurance agent, upon
1420 written request of the claimant or the claimant's attorney,
1421 shall also disclose the name and coverage of each known insurer

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1422 to the claimant and ~~shall~~ forward the ~~such~~ request for
1423 information ~~as~~ required by this subsection to all affected
1424 insurers. The insurer shall ~~then~~ supply the required information
1425 ~~required in this subsection~~ to the claimant within 30 days after
1426 ~~of~~ receipt of such request.

1427 Section 36. Subsection (1) of section 627.421, Florida
1428 Statutes, is amended to read:

1429 627.421 Delivery of policy.—

1430 (1) Subject to the insurer's requirement as to payment of
1431 premium, every policy shall be mailed, delivered, or
1432 electronically transmitted to the insured or to the person
1433 entitled thereto within not later than 60 days after the
1434 effectuation of coverage. Notwithstanding any other provision of
1435 law, an insurer may allow a policyholder of personal lines
1436 insurance to affirmatively elect delivery of the policy
1437 documents, including policies, endorsements, notices, or other
1438 documents, by electronic means in lieu of delivery by mail.

1439 Electronic transmission of a policy for commercial risks,
1440 including, but not limited to, workers' compensation and
1441 employers' liability, commercial automobile liability,
1442 commercial automobile physical damage, commercial lines
1443 residential property, commercial nonresidential property, farm
1444 owners' insurance, and the types of commercial lines risks set
1445 forth in s. 627.062(3)(d), constitute ~~shall constitute~~ delivery
1446 to the insured or to the person entitled to delivery, unless the
1447 insured or the person entitled to delivery communicates to the
1448 insurer in writing or electronically that he or she does not
1449 agree to delivery by electronic means. Electronic transmission
1450 must ~~shall~~ include a notice to the insured or to the person

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1451 entitled to delivery of a policy of his or her right to receive
1452 the policy via United States mail rather than via electronic
1453 transmission. A paper copy of the policy shall be provided to
1454 the insured or to the person entitled to delivery at his or her
1455 request.

1456 Section 37. Subsection (2) of section 627.43141, Florida
1457 Statutes, is amended to read:

1458 627.43141 Notice of change in policy terms.—

1459 (2) A renewal policy may contain a change in policy terms.
1460 If a renewal policy contains ~~does contain~~ such change, the
1461 insurer must give the named insured written notice of the
1462 change, which may ~~must~~ be enclosed along with the written notice
1463 of renewal premium required by ss. 627.4133 and 627.728 or be
1464 sent in a separate notice that complies with the nonrenewal
1465 mailing time requirement for that particular line of business.
1466 The insurer must also provide a sample copy of the notice to the
1467 insured's insurance agent before or at the same time that notice
1468 is given to the insured. Such notice shall be entitled "Notice
1469 of Change in Policy Terms."

1470 Section 38. Section 627.4553, Florida Statutes, is created
1471 to read:

1472 627.4553 Recommendations to surrender.—If an insurance
1473 agent recommends the surrender of an annuity or life insurance
1474 policy containing a cash value and is not recommending that the
1475 proceeds from the surrender be used to fund or purchase another
1476 annuity or life insurance policy, before execution of the
1477 surrender, the insurance agent, or the insurance company if no
1478 agent is involved, shall provide, on a form adopted by rule by
1479 the department, information concerning the annuity or policy to

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1480 be surrendered, including the amount of any surrender charge,
1481 the loss of any minimum interest rate guarantees, the amount of
1482 any tax consequences resulting from the surrender, the amount of
1483 any forfeited death benefit, and the value of any other
1484 investment performance guarantees being forfeited as a result of
1485 the surrender. This section also applies to a person performing
1486 insurance agent activities pursuant to an exemption from
1487 licensure under this part.

1488 Section 39. Paragraph (b) of subsection (4) of section
1489 627.7015, Florida Statutes, is amended to read:

1490 627.7015 Alternative procedure for resolution of disputed
1491 property insurance claims.—

1492 (4) The department shall adopt by rule a property insurance
1493 mediation program to be administered by the department or its
1494 designee. The department may also adopt special rules which are
1495 applicable in cases of an emergency within the state. The rules
1496 shall be modeled after practices and procedures set forth in
1497 mediation rules of procedure adopted by the Supreme Court. The
1498 rules must ~~shall~~ provide for:

1499 (b) Qualifications, denial of application, suspension,
1500 revocation of approval, and other penalties for ~~of~~ mediators as
1501 provided in s. 627.745 and in the Florida Rules for ~~of~~ Certified
1502 and Court-Appointed ~~Court Appointed~~ Mediators, ~~and for such~~
1503 ~~other individuals as are qualified by education, training, or~~
1504 ~~experience as the department determines to be appropriate.~~

1505 Section 40. Section 627.70151, Florida Statutes, is created
1506 to read:

1507 627.70151 Appraisal; conflicts of interest.—An insurer that
1508 offers residential coverage, as defined in s. 627.4025, or a

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1509 policyholder that uses an appraisal clause in the property
1510 insurance contract to establish a process for estimating or
1511 evaluating the amount of the loss through the use of an
1512 impartial umpire may challenge the umpire's impartiality and
1513 disqualify the proposed umpire only if:

1514 (1) A familial relationship within the third degree exists
1515 between the umpire and a party or a representative of a party;

1516 (2) The umpire has previously represented a party or a
1517 representative of a party in a professional capacity in the same
1518 or a substantially related matter;

1519 (3) The umpire has represented another person in a
1520 professional capacity on the same or a substantially related
1521 matter, which includes the claim, same property, or an adjacent
1522 property and that other person's interests are materially
1523 adverse to the interests of any party; or

1524 (4) The umpire has worked as an employer or employee of a
1525 party within the preceding 5 years.

1526 Section 41. Paragraph (c) of subsection (2) of section
1527 627.706, Florida Statutes, is amended to read:

1528 627.706 Sinkhole insurance; catastrophic ground cover
1529 collapse; definitions.—

1530 (2) As used in ss. 627.706-627.7074, and as used in
1531 connection with any policy providing coverage for a catastrophic
1532 ground cover collapse or for sinkhole losses, the term:

1533 (c) "Neutral evaluator" means a professional engineer or a
1534 professional geologist who has completed a course of study in
1535 alternative dispute resolution designed or approved by the
1536 department for use in the neutral evaluation process, ~~and~~ who is
1537 determined by the department to be fair and impartial, and who

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1538 is not otherwise ineligible for certification as provided in s.
1539 627.7074.

1540 Section 42. Subsections (3), (7), and (18) of section
1541 627.7074, Florida Statutes, are amended to read:

1542 627.7074 Alternative procedure for resolution of disputed
1543 sinkhole insurance claims.—

1544 (3) Following the receipt of the report required ~~provided~~
1545 under s. 627.7073 or the denial of a claim for a sinkhole loss,
1546 the insurer shall notify the policyholder of his or her right to
1547 participate in the neutral evaluation program under this section
1548 if coverage is available under the policy and the claim was
1549 submitted within the timeframe provided in s. 627.706(5).

1550 Neutral evaluation supersedes the alternative dispute resolution
1551 process under s. 627.7015 but does not invalidate the appraisal
1552 clause of the insurance policy. The insurer shall provide to the
1553 policyholder the consumer information pamphlet prepared by the
1554 department pursuant to subsection (1) electronically or by
1555 United States mail.

1556 (7) Upon receipt of a request for neutral evaluation, the
1557 department shall provide the parties a list of certified neutral
1558 evaluators. The department shall allow the parties to submit
1559 requests for disqualifying ~~to disqualify~~ evaluators on the list
1560 for cause.

1561 (a) The department shall disqualify neutral evaluators for
1562 cause based only on any of the following grounds:

1563 1. A familial relationship exists between the neutral
1564 evaluator and either party or a representative of either party
1565 within the third degree.

1566 2. The proposed neutral evaluator has, in a professional

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1567 capacity, previously represented either party or a
1568 representative of either party, in the same or a substantially
1569 related matter.

1570 3. The proposed neutral evaluator has, in a professional
1571 capacity, represented another person in the same or a
1572 substantially related matter and that person's interests are
1573 materially adverse to the interests of the parties. The term
1574 "substantially related matter" means participation by the
1575 neutral evaluator on the same claim, property, or adjacent
1576 property.

1577 4. The proposed neutral evaluator has, within the preceding
1578 5 years, worked as an employer or employee of a ~~any~~ party to the
1579 case.

1580 (b) The department shall deny an application, or suspend or
1581 revoke the certification, of a neutral evaluator to serve in the
1582 neutral evaluator capacity if the department finds that one or
1583 more of the following grounds exist:

1584 1. Lack of one or more of the qualifications for
1585 certification specified in this section.

1586 2. Material misstatement, misrepresentation, or fraud in
1587 obtaining or attempting to obtain the certification.

1588 3. Demonstrated lack of fitness or trustworthiness to act
1589 as a neutral evaluator.

1590 4. Fraudulent or dishonest practices in the conduct of an
1591 evaluation or in the conduct of business in the financial
1592 services industry.

1593 5. Violation of any provision of this code or of a lawful
1594 order or rule of the department or aiding, instructing, or
1595 encouraging another party to commit such violation.

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1596 (c) ~~(b)~~ The parties shall appoint a neutral evaluator from
1597 the department list and promptly inform the department. If the
1598 parties cannot agree to a neutral evaluator within 14 business
1599 days, the department shall appoint a neutral evaluator from the
1600 list of certified neutral evaluators. The department shall allow
1601 each party to disqualify two neutral evaluators without cause.
1602 Upon selection or appointment, the department shall promptly
1603 refer the request to the neutral evaluator.

1604 (d) ~~(e)~~ Within 14 business days after the referral, the
1605 neutral evaluator shall notify the policyholder and the insurer
1606 of the date, time, and place of the neutral evaluation
1607 conference. The conference may be held by telephone, if feasible
1608 and desirable. The neutral evaluator shall make reasonable
1609 efforts to hold the conference within 90 days after the receipt
1610 of the request by the department. Failure of the neutral
1611 evaluator to hold the conference within 90 days does not
1612 invalidate either party's right to neutral evaluation or to a
1613 neutral evaluation conference held outside this timeframe.

1614 (18) The department shall adopt rules of procedure for the
1615 neutral evaluation process and for certifying, denying or
1616 suspending the certification of, and revoking certification as,
1617 a neutral evaluator.

1618 Section 43. Subsection (8) of section 627.711, Florida
1619 Statutes, is amended to read:

1620 627.711 Notice of premium discounts for hurricane loss
1621 mitigation; uniform mitigation verification inspection form.—

1622 (8) At its expense, the insurer may require that a uniform
1623 mitigation verification form provided by a policyholder, a
1624 policyholder's agent, or an authorized mitigation inspector or

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1625 inspection company be independently verified by an inspector, an
1626 inspection company, or an independent third-party quality
1627 assurance provider that ~~which~~ possesses a quality assurance
1628 program before accepting the uniform mitigation verification
1629 form as valid. The insurer may exempt from additional
1630 independent verification any uniform mitigation verification
1631 form provided by a policyholder, a policyholder's agent, an
1632 authorized mitigation inspector, or an inspection company that
1633 possesses a quality assurance program that meets the standards
1634 established by the insurer. A uniform mitigation verification
1635 form provided by a policyholder, a policyholder's agent, an
1636 authorized mitigation inspector, or an inspection company to
1637 Citizens Property Insurance Corporation is not subject to
1638 additional verification, and the property is not subject to
1639 reinspection by the corporation, absent material changes to the
1640 structure for the term stated on the form if the form signed by
1641 a qualified inspector was submitted to, reviewed, and verified
1642 by a quality assurance program approved by the corporation
1643 before submission to the corporation.

1644 Section 44. Subsections (1), (2), and (3) of section
1645 627.7283, Florida Statutes, are amended to read:

1646 627.7283 Cancellation; return of premium.—

1647 (1) If the insured cancels a policy of motor vehicle
1648 insurance, the insurer must mail or electronically transfer the
1649 unearned portion of any premium paid within 30 days after the
1650 effective date of the policy cancellation or receipt of notice
1651 or request for cancellation, whichever is later. This
1652 requirement applies to a cancellation initiated by an insured
1653 for any reason.

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1654 (2) If an insurer cancels a policy of motor vehicle
1655 insurance, the insurer must mail or electronically transfer the
1656 unearned premium portion of any premium within 15 days after the
1657 effective date of the policy cancellation.

1658 (3) If the unearned premium is not mailed or electronically
1659 transferred within the applicable period, the insurer must pay
1660 to the insured 8 percent interest on the amount due. If the
1661 unearned premium is not mailed or electronically transferred
1662 within 45 days after the applicable period, the insured may
1663 bring an action against the insurer pursuant to s. 624.155.

1664 Section 45. Paragraph (a) of subsection (5) of section
1665 627.736, Florida Statutes, is amended to read:

1666 627.736 Required personal injury protection benefits;
1667 exclusions; priority; claims.—

1668 (5) CHARGES FOR TREATMENT OF INJURED PERSONS.—

1669 (a) A physician, hospital, clinic, or other person or
1670 institution lawfully rendering treatment to an injured person
1671 for a bodily injury covered by personal injury protection
1672 insurance may charge the insurer and injured party only a
1673 reasonable amount pursuant to this section for the services and
1674 supplies rendered, and the insurer providing such coverage may
1675 directly pay ~~for~~ such charges ~~directly~~ to the ~~such~~ person or
1676 institution lawfully rendering ~~such~~ treatment if the insured
1677 receiving such treatment or his or her guardian has
1678 countersigned the properly completed invoice, bill, or claim
1679 form approved by the office upon which such charges are to be
1680 paid ~~for~~ as having actually been rendered, to the best knowledge
1681 of the insured or his or her guardian. However, such a charge
1682 may not exceed the amount the person or institution customarily

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1683 charges for like services or supplies. In determining whether a
1684 charge for a particular service, treatment, or otherwise is
1685 reasonable, consideration may be given to evidence of usual and
1686 customary charges and payments accepted by the provider involved
1687 in the dispute, reimbursement levels in the community and
1688 various federal and state medical fee schedules applicable to
1689 motor vehicle and other insurance coverages, and other
1690 information relevant to the reasonableness of the reimbursement
1691 ~~for the service, treatment, or supply.~~

1692 1. The insurer may limit reimbursement to 80 percent of the
1693 following schedule of maximum charges:

1694 a. For emergency transport and treatment by providers
1695 licensed under chapter 401, 200 percent of Medicare.

1696 b. For emergency services and care provided by a hospital
1697 licensed under chapter 395, 75 percent of the hospital's usual
1698 and customary charges.

1699 c. For emergency services and care as defined by s. 395.002
1700 provided in a facility licensed under chapter 395 rendered by a
1701 physician or dentist, and related hospital inpatient services
1702 rendered by a physician or dentist, the usual and customary
1703 charges in the community.

1704 d. For hospital inpatient services, other than emergency
1705 services and care, 200 percent of the Medicare Part A
1706 prospective payment applicable to the specific hospital
1707 providing the inpatient services.

1708 e. For hospital outpatient services, other than emergency
1709 services and care, 200 percent of the Medicare Part A Ambulatory
1710 Payment Classification for the specific hospital providing the
1711 outpatient services.

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1712 f. For all other medical services, supplies, and care, 200
1713 percent of the allowable amount under:

1714 (I) The participating physicians fee schedule of Medicare
1715 Part B, except as provided in sub-sub-subparagraphs (II) and
1716 (III).

1717 (II) Medicare Part B, in the case of services, supplies,
1718 and care provided by ambulatory surgical centers and clinical
1719 laboratories.

1720 (III) The Durable Medical Equipment Prosthetics/Orthotics
1721 and Supplies fee schedule of Medicare Part B, in the case of
1722 durable medical equipment.

1723

1724 However, if such services, supplies, or care is not reimbursable
1725 under Medicare Part B, as provided in this sub-subparagraph, the
1726 insurer may limit reimbursement to 80 percent of the maximum
1727 reimbursable allowance under workers' compensation, as
1728 determined under s. 440.13 and rules adopted thereunder which
1729 are in effect at the time such services, supplies, or care is
1730 provided. Services, supplies, or care that is not reimbursable
1731 under Medicare or workers' compensation is not required to be
1732 reimbursed by the insurer.

1733 2. For purposes of subparagraph 1., the applicable fee
1734 schedule or payment limitation under Medicare is the fee
1735 schedule or payment limitation in effect on March 1 of the year
1736 in which the services, supplies, or care is rendered and for the
1737 area in which such services, supplies, or care is rendered, and
1738 the applicable fee schedule or payment limitation applies from
1739 March 1 until the last day of February ~~throughout the remainder~~
1740 of the following ~~that~~ year, notwithstanding any subsequent

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1741 change made to the fee schedule or payment limitation, except
1742 that it may not be less than the allowable amount under the
1743 applicable schedule of Medicare Part B for 2007 for medical
1744 services, supplies, and care subject to Medicare Part B.

1745 3. Subparagraph 1. does not allow the insurer to apply a
1746 ~~any~~ limitation on the number of treatments or other utilization
1747 limits that apply under Medicare or workers' compensation. An
1748 insurer that applies the allowable payment limitations of
1749 subparagraph 1. must reimburse a provider who lawfully provided
1750 care or treatment under the scope of his or her license,
1751 regardless of whether such provider is entitled to reimbursement
1752 under Medicare due to restrictions or limitations on the types
1753 or discipline of health care providers who may be reimbursed for
1754 particular procedures or procedure codes. However, subparagraph
1755 1. does not prohibit an insurer from using the Medicare coding
1756 policies and payment methodologies of the federal Centers for
1757 Medicare and Medicaid Services, including applicable modifiers,
1758 to determine the appropriate amount of reimbursement for medical
1759 services, supplies, or care if the coding policy or payment
1760 methodology does not constitute a utilization limit.

1761 4. If an insurer limits payment as authorized by
1762 subparagraph 1., the person providing such services, supplies,
1763 or care may not bill or attempt to collect from the insured any
1764 amount in excess of such limits, except for amounts that are not
1765 covered by the insured's personal injury protection coverage due
1766 to the coinsurance amount or maximum policy limits.

1767 5. ~~Effective July 1, 2012,~~ An insurer may limit payment as
1768 authorized by this paragraph only if the insurance policy
1769 includes a notice at the time of issuance or renewal that the

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1770 insurer may limit payment pursuant to the schedule of charges
1771 specified in this paragraph. A policy form approved by the
1772 office satisfies this requirement. If a provider submits a
1773 charge for an amount less than the amount allowed under
1774 subparagraph 1., the insurer may pay the amount of the charge
1775 submitted.

1776 Section 46. Subsection (1) and paragraphs (a) and (b) of
1777 subsection (2) of section 627.744, Florida Statutes, are amended
1778 to read:

1779 627.744 Required preinsurance inspection of private
1780 passenger motor vehicles.—

1781 (1) A private passenger motor vehicle insurance policy
1782 providing physical damage coverage, including collision or
1783 comprehensive coverage, may not be issued in this state unless
1784 the insurer has inspected the motor vehicle in accordance with
1785 this section. Physical damage coverage on a motor vehicle may
1786 not be suspended during the term of the policy due to the
1787 applicant's failure to provide required documents. However,
1788 payment of a claim may be conditioned upon the insurer's receipt
1789 of the required documents, and physical damage loss occurring
1790 after the effective date of coverage is not payable until the
1791 documents are provided to the insurer.

1792 (2) This section does not apply:

1793 (a) To a policy for a policyholder who has been insured for
1794 2 years or longer, without interruption, under a private
1795 passenger motor vehicle policy that ~~which~~ provides physical
1796 damage coverage for any vehicle, if the agent of the insurer
1797 verifies the previous coverage.

1798 (b) To a new, unused motor vehicle purchased or leased from

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1799 a licensed motor vehicle dealer or leasing company, if the
1800 insurer is provided with:

1801 1. A bill of sale, ~~or~~ buyer's order, or lease agreement
1802 that ~~which~~ contains a full description of the motor vehicle,
1803 ~~including all options and accessories;~~ or

1804 2. A copy of the title or registration that ~~which~~
1805 establishes transfer of ownership from the dealer or leasing
1806 company to the customer and a copy of the window sticker ~~or the~~
1807 ~~dealer invoice showing the itemized options and equipment and~~
1808 ~~the total retail price of the vehicle.~~

1809
1810 ~~For the purposes of this paragraph, the physical damage coverage~~
1811 ~~on the motor vehicle may not be suspended during the term of the~~
1812 ~~policy due to the applicant's failure to provide the required~~
1813 ~~documents. However, payment of a claim is conditioned upon the~~
1814 ~~receipt by the insurer of the required documents, and no~~
1815 ~~physical damage loss occurring after the effective date of the~~
1816 ~~coverage is payable until the documents are provided to the~~
1817 ~~insurer.~~

1818 Section 47. Paragraph (b) of subsection (3) of section
1819 627.745, Florida Statutes, is amended, present subsections (4)
1820 and (5) of that section are redesignated as subsections (5) and
1821 (6), respectively, and a new subsection (4) is added to that
1822 section, to read:

1823 627.745 Mediation of claims.—

1824 (3)

1825 (b) To qualify for approval as a mediator, an individual ~~a~~
1826 ~~person~~ must meet one of the following qualifications:

1827 1. Possess an active certification as a Florida Supreme

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1828 Court certified circuit court mediator. A circuit court mediator
1829 whose certification is in a lapsed, suspended, or decertified
1830 status is not eligible to participate in the program a masters
1831 or doctorate degree in psychology, counseling, business,
1832 accounting, or economics, be a member of The Florida Bar, be
1833 licensed as a certified public accountant, or demonstrate that
1834 the applicant for approval has been actively engaged as a
1835 qualified mediator for at least 4 years prior to July 1, 1990.

1836 2. Be an approved department mediator as of July 1, 2014,
1837 and have conducted at least one mediation on behalf of the
1838 department within the 4 years immediately preceding that the
1839 date the application for approval is filed with the department,
1840 have completed a minimum of a 40-hour training program approved
1841 by the department and successfully passed a final examination
1842 included in the training program and approved by the department.
1843 The training program shall include and address all of the
1844 following:

- 1845 a. Mediation theory.
1846 b. Mediation process and techniques.
1847 c. Standards of conduct for mediators.
1848 d. Conflict management and intervention skills.
1849 e. Insurance nomenclature.

1850 (4) The department shall deny an application, or suspend or
1851 revoke its approval of a mediator or certification of a neutral
1852 evaluator to serve in such capacity, if the department finds
1853 that any of the following grounds exist:

1854 (a) Lack of one or more of the qualifications for approval
1855 or certification specified in this section.

1856 (b) Material misstatement, misrepresentation, or fraud in

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1857 obtaining, or attempting to obtain, the approval or
1858 certification.

1859 (c) Demonstrated lack of fitness or trustworthiness to act
1860 as a mediator or neutral evaluator.

1861 (d) Fraudulent or dishonest practices in the conduct of
1862 mediation or neutral evaluation or in the conduct of business in
1863 the financial services industry.

1864 (e) Violation of any provision of this code or of a lawful
1865 order or rule of the department, violation of the Florida Rules
1866 of Certified and Court Appointed Mediators, or aiding,
1867 instructing, or encouraging another party in committing such a
1868 violation.

1869
1870 The department may adopt rules to administer this subsection.

1871 Section 48. Subsection (8) of section 627.782, Florida
1872 Statutes, is amended to read:

1873 627.782 Adoption of rates.—

1874 (8) Each title insurance agency and insurer licensed to do
1875 business in this state and each insurer's direct or retail
1876 business in this state shall maintain and submit information,
1877 including revenue, loss, and expense data, as the office
1878 determines necessary to assist in the analysis of title
1879 insurance premium rates, title search costs, and the condition
1880 of the title insurance industry in this state. This information
1881 must be transmitted to the office annually by May ~~March~~ 31 of
1882 the year after the reporting year. The commission shall adopt
1883 rules regarding the collection and analysis of the data from the
1884 title insurance industry.

1885 Section 49. Subsections (1), (3), (10), and (12) of section

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1886 628.461, Florida Statutes, are amended to read:

1887 628.461 Acquisition of controlling stock.—

1888 (1) A person may not, individually or in conjunction with
1889 an ~~any~~ affiliated person of such person, acquire directly or
1890 indirectly, conclude a tender offer or exchange offer for, enter
1891 into any agreement to exchange securities for, or otherwise
1892 finally acquire 10 ~~5~~ percent or more of the outstanding voting
1893 securities of a domestic stock insurer or of a controlling
1894 company, unless:

1895 (a) The person or affiliated person has filed with the
1896 office and sent to the insurer and controlling company a letter
1897 of notification regarding the transaction or proposed
1898 transaction within ~~no later than~~ 5 days after any form of tender
1899 offer or exchange offer is proposed, or within ~~no later than~~ 5
1900 days after the acquisition of the securities if no tender offer
1901 or exchange offer is involved. The notification must be provided
1902 on forms prescribed by the commission containing information
1903 determined necessary to understand the transaction and identify
1904 all purchasers and owners involved;

1905 (b) The person or affiliated person has filed with the
1906 office a statement as specified in subsection (3). The statement
1907 must be completed and filed within 30 days after:

- 1908 1. Any definitive acquisition agreement is entered;
1909 2. Any form of tender offer or exchange offer is proposed;

1910 or

1911 3. The acquisition of the securities, if no definitive
1912 acquisition agreement, tender offer, or exchange offer is
1913 involved; and

1914 (c) The office has approved the tender or exchange offer,

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1915 or acquisition if no tender offer or exchange offer is involved,
1916 and approval is in effect.

1917
1918 ~~In lieu of a filing as required under this subsection, a party~~
1919 ~~acquiring less than 10 percent of the outstanding voting~~
1920 ~~securities of an insurer may file a disclaimer of affiliation~~
1921 ~~and control. The disclaimer shall fully disclose all material~~
1922 ~~relationships and basis for affiliation between the person and~~
1923 ~~the insurer as well as the basis for disclaiming the affiliation~~
1924 ~~and control. After a disclaimer has been filed, the insurer~~
1925 ~~shall be relieved of any duty to register or report under this~~
1926 ~~section which may arise out of the insurer's relationship with~~
1927 ~~the person unless and until the office disallows the disclaimer.~~
1928 ~~The office shall disallow a disclaimer only after furnishing all~~
1929 ~~parties in interest with notice and opportunity to be heard and~~
1930 ~~after making specific findings of fact to support the~~
1931 ~~disallowance.~~ A filing as required under this subsection must be
1932 made as to any acquisition that equals or exceeds 10 percent of
1933 the outstanding voting securities.

1934 (3) The statement to be filed with the office under
1935 subsection (1) and furnished to the insurer and controlling
1936 company must ~~shall~~ contain the following information and any
1937 additional information ~~as~~ the office deems necessary to
1938 determine the character, experience, ability, and other
1939 qualifications of the person or affiliated person of such person
1940 for the protection of the policyholders and shareholders of the
1941 insurer and the public:

1942 (a) The identity of, and the background information
1943 specified in subsection (4) on, each natural person by whom, or

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1944 on whose behalf, the acquisition is to be made; and, if the
1945 acquisition is to be made by, or on behalf of, a corporation,
1946 association, or trust, as to the corporation, association, or
1947 trust and as to any person who ~~controls either~~ directly or
1948 indirectly controls the corporation, association, or trust, the
1949 identity of, and the background information specified in
1950 subsection (4) on, each director, officer, trustee, or other
1951 natural person performing duties similar to those of a director,
1952 officer, or trustee for the corporation, association, or trust;

1953 (b) The source and amount of the funds or other
1954 consideration used, or to be used, in making the acquisition;

1955 (c) Any plans or proposals that ~~which~~ such persons may have
1956 made to liquidate such insurer, to sell any of its assets or
1957 merge or consolidate it with any person, or to make any other
1958 major change in its business or corporate structure or
1959 management; and any plans or proposals that which such persons
1960 may have made to liquidate any controlling company of such
1961 insurer, to sell any of its assets or merge or consolidate it
1962 with any person, or to make any other major change in its
1963 business or corporate structure or management;

1964 (d) The number of shares or other securities which the
1965 person or affiliated person of such person proposes to acquire,
1966 the terms of the proposed acquisition, and the manner in which
1967 the securities are to be acquired; and

1968 (e) Information as to any contract, arrangement, or
1969 understanding with any party with respect to any of the
1970 securities of the insurer or controlling company, including, but
1971 not limited to, information relating to the transfer of any of
1972 the securities, option arrangements, puts or calls, or the

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1973 giving or withholding of proxies, which information names the
1974 party with whom the contract, arrangement, or understanding has
1975 been entered into and gives the details thereof.

1976 (10) Upon notification to the office by the domestic stock
1977 insurer or a controlling company that any person or any
1978 affiliated person of such person has acquired 10 ~~5~~ percent or
1979 more of the outstanding voting securities of the domestic stock
1980 insurer or controlling company without complying with ~~the~~
1981 ~~provisions of~~ this section, the office shall order that the
1982 person and any affiliated person of such person cease
1983 acquisition of any further securities of the domestic stock
1984 insurer or controlling company; however, the person or any
1985 affiliated person of such person may request a proceeding, which
1986 ~~proceeding~~ shall be convened within 7 days after the rendering
1987 of the order for the sole purpose of determining whether the
1988 person, individually or in connection with an ~~any~~ affiliated
1989 person of such person, has acquired 10 ~~5~~ percent or more of the
1990 outstanding voting securities of a domestic stock insurer or
1991 controlling company. Upon the failure of the person or
1992 affiliated person to request a hearing within 7 days, or upon a
1993 determination at a hearing convened pursuant to this subsection
1994 that the person or affiliated person has acquired voting
1995 securities of a domestic stock insurer or controlling company in
1996 violation of this section, the office may order the person and
1997 affiliated person to divest themselves of any voting securities
1998 so acquired.

1999 (12) ~~(a)~~ A presumption of control may be rebutted by filing
2000 a disclaimer of control. A person may file a disclaimer of
2001 control with the office. The disclaimer must fully disclose all

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2002 material relationships and bases for affiliation between the
2003 person and the insurer as well as the basis for disclaiming the
2004 affiliation. The disclaimer of control shall be filed on a form
2005 prescribed by the office, or a person or acquiring party may
2006 file with the office a copy of a Schedule 13G on file with the
2007 Securities and Exchange Commission pursuant to Rule 13d-1(b) or
2008 Rule 13d-1(c) under the Securities Exchange Act of 1934, as
2009 amended. After a disclaimer is filed, the insurer is relieved of
2010 any duty to register or report under this section which may
2011 arise out of the insurer's relationship with the person, unless
2012 the office disallows the disclaimer. For the purpose of this
2013 section, the term "affiliated person" of another person means:
2014 1. The spouse of such other person;
2015 2. The parents of such other person and their lineal
2016 descendants and the parents of such other person's spouse and
2017 their lineal descendants;
2018 3. Any person who directly or indirectly owns or controls,
2019 or holds with power to vote, 5 percent or more of the
2020 outstanding voting securities of such other person;
2021 4. Any person 5 percent or more of the outstanding voting
2022 securities of which are directly or indirectly owned or
2023 controlled, or held with power to vote, by such other person;
2024 5. Any person or group of persons who directly or
2025 indirectly control, are controlled by, or are under common
2026 control with such other person;
2027 6. Any officer, director, partner, copartner, or employee
2028 of such other person;
2029 7. If such other person is an investment company, any
2030 investment adviser of such company or any member of an advisory

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2031 ~~board of such company;~~

2032 ~~8. If such other person is an unincorporated investment~~
2033 ~~company not having a board of directors, the depositor of such~~
2034 ~~company; or~~

2035 ~~9. Any person who has entered into an agreement, written or~~
2036 ~~unwritten, to act in concert with such other person in acquiring~~
2037 ~~or limiting the disposition of securities of a domestic stock~~
2038 ~~insurer or controlling company.~~

2039 ~~(b) For the purposes of this section, the term "controlling~~
2040 ~~company" means any corporation, trust, or association owning,~~
2041 ~~directly or indirectly, 25 percent or more of the voting~~
2042 ~~securities of one or more domestic stock insurance companies.~~

2043 Section 50. Subsection (11) of section 631.717, Florida
2044 Statutes, is amended to read:

2045 631.717 Powers and duties of the association.—

2046 (11) The association is ~~shall~~ not ~~be~~ liable for any civil
2047 action under s. 624.155 arising from any acts alleged to have
2048 been committed by a member insurer before ~~prior to~~ its
2049 liquidation. ~~This subsection does not affect the association's~~
2050 ~~obligation to pay valid insurance policy or contract claims if~~
2051 ~~warranted after its independent de novo review of the policies,~~
2052 ~~contracts, and claims presented to it, whether domestic or~~
2053 ~~foreign, after a Florida domestic rehabilitation or a~~
2054 ~~liquidation.~~

2055 Section 51. Section 631.737, Florida Statutes, is amended
2056 to read:

2057 631.737 Rescission and review generally.—The association
2058 shall review claims and matters regarding covered policies based
2059 upon the record available to it on and after the date of

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2060 liquidation. Notwithstanding any other provision of this part,
2061 in order to allow for orderly claims administration by the
2062 association, entry of a liquidation order by a court of
2063 competent jurisdiction tolls ~~shall be deemed to toll~~ for 1 year
2064 any rescission or noncontestable period allowed by the contract,
2065 the policy, or by law. The association's obligation is to pay
2066 any valid insurance policy or contract claims, if warranted,
2067 after its independent de novo review of the policies, contracts,
2068 and claims presented to it, whether domestic or foreign, after a
2069 rehabilitation or a liquidation.

2070 Section 52. Subsections (6) and (7) of section 634.406,
2071 Florida Statutes, are amended to read:

2072 634.406 Financial requirements.—

2073 (6) An association that ~~which~~ holds a license under this
2074 part and ~~which does not hold any other license under this~~
2075 ~~chapter~~ may allow its premiums for service warranties written
2076 under this part to exceed the ratio to net assets limitations of
2077 this section if the association meets all of the following
2078 conditions:

2079 (a) Maintains net assets of at least \$750,000.

2080 (b) Uses ~~Utilizes~~ a contractual liability insurance policy
2081 approved by the office that: ~~which~~

2082 1. Reimburses the service warranty association for 100
2083 percent of its claims liability and is issued by an insurer that
2084 maintains a policyholder surplus of at least \$100 million; or

2085 2. Complies with subsection (3) and is issued by an insurer
2086 that maintains a policyholder surplus of at least \$200 million.

2087 (c) The insurer issuing the contractual liability insurance
2088 policy:

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2089 ~~1. Maintains a policyholder surplus of at least \$100~~
2090 ~~million.~~

2091 ~~1.2.~~ Is rated "A" or higher by A.M. Best Company or an
2092 equivalent rating by another national rating service acceptable
2093 to the office.

2094 ~~3. Is in no way affiliated with the warranty association.~~

2095 ~~2.4.~~ In conjunction with the warranty association's filing
2096 of the quarterly and annual reports, provides, on a form
2097 prescribed by the commission, a statement certifying the gross
2098 written premiums in force reported by the warranty association
2099 and a statement that all of the warranty association's gross
2100 written premium in force is covered under the contractual
2101 liability policy, regardless of whether ~~or not~~ it has been
2102 reported.

2103 ~~(7) A contractual liability policy must insure 100 percent~~
2104 ~~of an association's claims exposure under all of the~~
2105 ~~association's service warranty contracts, wherever written,~~
2106 ~~unless all of the following are satisfied:~~

2107 ~~(a) The contractual liability policy contains a clause that~~
2108 ~~specifically names the service warranty contract holders as sole~~
2109 ~~beneficiaries of the contractual liability policy and claims are~~
2110 ~~paid directly to the person making a claim under the contract;~~

2111 ~~(b) The contractual liability policy meets all other~~
2112 ~~requirements of this part, including subsection (3) of this~~
2113 ~~section, which are not inconsistent with this subsection;~~

2114 ~~(c) The association has been in existence for at least 5~~
2115 ~~years or the association is a wholly owned subsidiary of a~~
2116 ~~corporation that has been in existence and has been licensed as~~
2117 ~~a service warranty association in the state for at least 5~~

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2118 years, and:

2119 ~~1. Is listed and traded on a recognized stock exchange; is~~
2120 ~~listed in NASDAQ (National Association of Security Dealers~~
2121 ~~Automated Quotation system) and publicly traded in the over-the-~~
2122 ~~counter securities market; is required to file either of Form~~
2123 ~~10-K, Form 100, or Form 20-G with the United States Securities~~
2124 ~~and Exchange Commission; or has American Depository Receipts~~
2125 ~~listed on a recognized stock exchange and publicly traded or is~~
2126 ~~the wholly owned subsidiary of a corporation that is listed and~~
2127 ~~traded on a recognized stock exchange; is listed in NASDAQ~~
2128 ~~(National Association of Security Dealers Automated Quotation~~
2129 ~~system) and publicly traded in the over-the-counter securities~~
2130 ~~market; is required to file Form 10-K, Form 100, or Form 20-G~~
2131 ~~with the United States Securities and Exchange Commission; or~~
2132 ~~has American Depository Receipts listed on a recognized stock~~
2133 ~~exchange and is publicly traded;~~

2134 ~~2. Maintains outstanding debt obligations, if any, rated in~~
2135 ~~the top four rating categories by a recognized rating service;~~

2136 ~~3. Has and maintains at all times a minimum net worth of~~
2137 ~~not less than \$10 million as evidenced by audited financial~~
2138 ~~statements prepared by an independent certified public~~
2139 ~~accountant in accordance with generally accepted accounting~~
2140 ~~principles and submitted to the office annually; and~~

2141 ~~4. Is authorized to do business in this state; and~~

2142 ~~(d) The insurer issuing the contractual liability policy:~~

2143 ~~1. Maintains and has maintained for the preceding 5 years,~~
2144 ~~policyholder surplus of at least \$100 million and is rated "A"~~
2145 ~~or higher by A.M. Best Company or has an equivalent rating by~~
2146 ~~another rating company acceptable to the office;~~

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2147 ~~2. Holds a certificate of authority to do business in this~~
2148 ~~state and is approved to write this type of coverage; and~~

2149 ~~3. Acknowledges to the office quarterly that it insures all~~
2150 ~~of the association's claims exposure under contracts delivered~~
2151 ~~in this state.~~

2152

2153 ~~If all the preceding conditions are satisfied, then the scope of~~
2154 ~~coverage under a contractual liability policy shall not be~~
2155 ~~required to exceed an association's claims exposure under~~
2156 ~~service warranty contracts delivered in this state.~~

2157 Section 53. Except as otherwise expressly provided in this
2158 act, this act shall take effect July 1, 2014.