

**By** the Committees on Appropriations; and 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. 624.4625,  
3       F.S.; revising requirements for corporations not for  
4       profit to qualify to form a self-insurance fund;  
5       amending s. 624.501, F.S.; revising original  
6       appointment and renewal fees related to certain  
7       insurance representatives; amending s. 626.015, F.S.;  
8       defining the term "unaffiliated insurance agent";  
9       amending s. 626.0428, F.S.; requiring a branch place  
10      of business to have an agent in charge; authorizing an  
11      agent to be in charge of more than one branch office  
12      under certain circumstances; providing requirements  
13      relating to the designation of an agent in charge;  
14      prohibiting an insurance agency from conducting  
15      insurance business at a location without a designated  
16      agent in charge; providing that the agent in charge is  
17      accountable for misconduct and violations committed by  
18      the licensee and any person under his or her  
19      supervision; amending s. 626.112, F.S.; prohibiting  
20      limited customer representative licenses from being  
21      issued after a specified date; providing licensure  
22      exemptions that allow specified individuals or  
23      entities to conduct insurance business at specified  
24      locations under certain circumstances; revising  
25      licensure requirements and penalties with respect to  
26      registered insurance agencies; providing that the  
27      registration of an approved registered insurance  
28      agency automatically converts to an insurance agency  
29      license on a specified date; amending s. 626.172,

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30 F.S.; revising requirements relating to applications  
31 for insurance agency licenses; conforming provisions  
32 to changes made by the act; amending s. 626.311, F.S.;  
33 limiting the types of business that may be transacted  
34 by certain agents; amending s. 626.321, F.S.;  
35 providing that a limited license to offer motor  
36 vehicle rental insurance issued to a business that  
37 rents or leases motor vehicles encompasses the  
38 employees of such business; amending s. 626.382, F.S.;  
39 providing that an insurance agency license continues  
40 in force until canceled, suspended, revoked,  
41 terminated, or expired; amending s. 626.601, F.S.;  
42 revising terminology relating to investigations  
43 conducted by the Department of Financial Services and  
44 the Office of Insurance Regulation with respect to  
45 individuals and entities involved in the insurance  
46 industry; revising a confidentiality provision;  
47 amending s. 626.621, F.S.; providing an additional  
48 ground for disciplinary action against the license or  
49 appointment of certain insurance-related personnel for  
50 accepting compensation for referring the owner of a  
51 property to an inspector or inspection company;  
52 repealing s. 626.747, F.S., relating to branch  
53 agencies, agents in charge, and the payment of  
54 additional county tax under certain circumstances;  
55 amending s. 626.8411, F.S.; conforming a cross-  
56 reference; amending s. 626.854, F.S.; deleting the  
57 requirement that a 48 hours' notice be provided before  
58 scheduling an onsite inspection of insured property;

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59 conforming a cross-reference; amending s. 626.8805,  
60 F.S.; revising insurance administrator application  
61 requirements; amending s. 626.8817, F.S.; authorizing  
62 an insurer's designee to provide certain coverage  
63 information to an insurance administrator; authorizing  
64 an insurer to subcontract the review of an insurance  
65 administrator; amending s. 626.882, F.S.; prohibiting  
66 a person from acting as an insurance administrator  
67 without a specific written agreement; amending s.  
68 626.883, F.S.; requiring an insurance administrator to  
69 furnish fiduciary account records to an insurer;  
70 requiring administrator withdrawals from a fiduciary  
71 account to be made according to a specific written  
72 agreement; providing that an insurer's designee may  
73 authorize payment of claims; amending s. 626.884,  
74 F.S.; revising an insurer's right of access to certain  
75 administrator records; amending s. 626.89, F.S.;  
76 revising the deadline for filing certain financial  
77 statements; deleting provisions allowing an extension  
78 for administrator to submit certain financial  
79 statements; amending s. 626.931, F.S.; deleting  
80 provisions requiring a surplus lines agent to file a  
81 quarterly affidavit with the Florida Surplus Lines  
82 Service Office; amending s. 626.932, F.S.; revising  
83 the due date of surplus lines tax; amending ss.  
84 626.935 and 626.936, F.S.; conforming provisions to  
85 changes made by the act; amending s. 626.9541, F.S.;  
86 revising provisions for unfair methods of competition  
87 and unfair or deceptive acts relating to conducting

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88 certain insurance transactions through credit card  
89 facilities; amending s. 627.062, F.S.; authorizing the  
90 Office of Insurance Regulation to use a straight  
91 average of model results or output ranges to estimate  
92 hurricane losses when determining whether the rates in  
93 a rate filing are excessive, inadequate, or unfairly  
94 discriminatory; amending s. 627.0628, F.S.; increasing  
95 the length of time during which an insurer must adhere  
96 to certain findings made by the Commission on  
97 Hurricane Loss Projection Methodology with respect to  
98 certain methods, principles, standards, models, or  
99 output ranges used in a rate filing; providing that  
100 the requirement to adhere to such findings does not  
101 limit an insurer from using straight averages of model  
102 results or output ranges under specified  
103 circumstances; amending s. 627.0651, F.S.; revising  
104 provisions for making and use of rates for motor  
105 vehicle insurance; amending s. 627.0653, F.S.;  
106 authorizing the office to approve motor vehicle  
107 premium discounts for vehicles equipped with  
108 electronic crash avoidance technology; amending s.  
109 627.072, F.S.; authorizing retrospective rating plans  
110 relating to workers' compensation and employer's  
111 liability insurance to allow negotiations between  
112 certain employers and insurers with respect to rating  
113 factors used to calculate premiums; amending s.  
114 627.281, F.S.; conforming a cross-reference; amending  
115 s. 627.311, F.S.; providing that certain dividends may  
116 be retained by the joint underwriting plan for future

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117 use; amending s. 627.3518, F.S.; conforming a cross-  
118 reference; repealing s. 627.3519, F.S., relating to an  
119 annual report on the aggregate report of maximum  
120 losses of the Florida Hurricane Catastrophe Fund and  
121 Citizens Property Insurance Corporation; amending s.  
122 627.409, F.S.; providing that a claim for residential  
123 property insurance may not be denied based on certain  
124 credit information; amending s. 627.4133, F.S.;  
125 extending the period for prior notice required with  
126 respect to the nonrenewal, cancellation, or  
127 termination of certain insurance policies; deleting  
128 certain provisions that require extended periods of  
129 prior notice with respect to the nonrenewal,  
130 cancellation, or termination of certain insurance  
131 policies; prohibiting the cancellation of certain  
132 policies that have been in effect for a specified  
133 amount of time, except under certain circumstances;  
134 prohibiting the cancellation of a policy or contract  
135 that has been in effect for a specified amount of time  
136 based on certain credit information; amending s.  
137 627.4137, F.S.; adding licensed company adjusters to  
138 the list of persons who may respond to a claimant's  
139 written request for information relating to liability  
140 insurance coverage; amending s. 627.421, F.S.;  
141 authorizing a policyholder of personal lines insurance  
142 to affirmatively elect delivery of policy documents by  
143 electronic means; amending s. 627.43141, F.S.;  
144 authorizing a notice of change in policy terms to be  
145 sent in a separate mailing to an insured under certain

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146 circumstances; requiring an insurer to provide such  
147 notice to the insured's insurance agent; creating s.  
148 627.4553, F.S.; providing requirements for the  
149 recommendation to surrender an annuity or life  
150 insurance policy; amending s. 627.7015, F.S.; revising  
151 the rulemaking authority of the department with  
152 respect to qualifications and specified types of  
153 penalties covered under the property insurance  
154 mediation program; creating s. 627.70151, F.S.;  
155 providing criteria for an insurer or policyholder to  
156 challenge the impartiality of a loss appraisal umpire  
157 for purposes of disqualifying such umpire; amending s.  
158 627.706, F.S.; revising the definition of the term  
159 "neutral evaluator"; amending s. 627.7074, F.S.;  
160 revising notification requirements for participation  
161 in the neutral evaluation program; providing grounds  
162 for the department to deny an application, or suspend  
163 or revoke certification, of a neutral evaluator;  
164 requiring the department to adopt rules relating to  
165 certification of neutral evaluators; amending s.  
166 627.711, F.S.; revising verification requirements for  
167 uniform mitigation verification forms; amending s.  
168 627.7283, F.S.; providing for the electronic transfer  
169 of unearned premiums returned when a policy is  
170 canceled; amending s. 627.736, F.S.; revising the time  
171 period for applicability of certain Medicare fee  
172 schedules or payment limitations; amending s. 627.744,  
173 F.S.; revising preinsurance inspection requirements  
174 for private passenger motor vehicles; amending s.

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175 627.745, F.S.; revising qualifications for approval as  
176 a mediator by the department; providing grounds for  
177 the department to deny an application, or suspend or  
178 revoke approval of a mediator or certification of a  
179 neutral evaluator; authorizing the department to adopt  
180 rules; amending s. 627.782, F.S.; revising the date by  
181 which title insurance agencies and certain insurers  
182 must annually submit specified information to the  
183 Office of Insurance Regulation; amending s. 628.461,  
184 F.S.; revising filing requirements relating to the  
185 acquisition of controlling stock; revising the amount  
186 of outstanding voting securities of a domestic stock  
187 insurer or a controlling company that a person is  
188 prohibited from acquiring unless certain requirements  
189 have been met; prohibiting persons acquiring a certain  
190 percentage of voting securities from acquiring certain  
191 securities; providing that a presumption of control  
192 may be rebutted by filing a disclaimer of control;  
193 deleting a definition; amending ss. 631.717 and  
194 631.734, F.S.; transferring a provision relating to  
195 the obligations of the Florida Life and Health  
196 Insurance Guaranty Association; amending s. 634.406,  
197 F.S.; revising criteria authorizing premiums of  
198 certain service warranty associations to exceed their  
199 specified net assets limitations; revising  
200 requirements relating to contractual liability  
201 policies that insure warranty associations; providing  
202 effective dates.  
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204 Be It Enacted by the Legislature of the State of Florida:

205  
206 Section 1. Paragraph (b) of subsection (1) of section  
207 624.4625, Florida Statutes, is amended to read:

208 624.4625 Corporation not for profit self-insurance funds.—

209 (1) Notwithstanding any other provision of law, any two or  
210 more corporations not for profit located in and organized under  
211 the laws of this state may form a self-insurance fund for the  
212 purpose of pooling and spreading liabilities of its group  
213 members in any one or combination of property or casualty risk,  
214 provided the corporation not for profit self-insurance fund that  
215 is created:

216 (b) Requires for qualification that each participating  
217 member receive at least 75 percent of its revenues from local,  
218 state, or federal governmental sources or a combination of such  
219 sources, or qualify as a publicly supported organization under  
220 s. 501(c) (3) or s. 4947(a) (1) of the United States Internal  
221 Revenue Code which normally receives a substantial part of its  
222 support from a governmental unit or from the general public as  
223 evidenced on the organization's most recently filed Internal  
224 Revenue Service Form 990 or 990-EZ, Schedule A.

225 Section 2. Paragraphs (a) and (c) of subsection (6) and  
226 subsections (7) and (8) of section 624.501, Florida Statutes,  
227 are amended to read:

228 624.501 Filing, license, appointment, and miscellaneous  
229 fees.—The department, commission, or office, as appropriate,  
230 shall collect in advance, and persons so served shall pay to it  
231 in advance, fees, licenses, and miscellaneous charges as  
232 follows:



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233 (6) Insurance representatives, property, marine, casualty,  
234 and surety insurance.

235 (a) Agent's original appointment and biennial renewal or  
236 continuation thereof, each insurer or unaffiliated agent making  
237 an appointment:

238	Appointment fee.....	\$42.00
239	State tax.....	12.00
240	County tax.....	6.00
241	Total.....	\$60.00

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

245 (7) Life insurance agents.

246 (a) Agent's original appointment and biennial renewal or  
247 continuation thereof, each insurer or unaffiliated agent making  
248 an appointment:

249	Appointment fee.....	\$42.00
250	State tax.....	12.00
251	County tax.....	6.00
252	Total.....	\$60.00

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

256 (8) Health insurance agents.

257 (a) Agent's original appointment and biennial renewal or  
258 continuation thereof, each insurer or unaffiliated agent making  
259 an appointment:

260	Appointment fee.....	\$42.00
261	State tax.....	12.00

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262 County tax.....6.00

263 Total.....\$60.00

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

267 Section 3. Present subsection (18) of section 626.015,  
268 Florida Statutes, is renumbered as subsection (19), and a new  
269 subsection (18) is added to that section, to read:

270 626.015 Definitions.—As used in this part:

271 (18) "Unaffiliated insurance agent" means a licensed  
272 insurance agent, except a limited lines agent, who is self-  
273 appointed and who practices as an independent consultant in the  
274 business of analyzing or abstracting insurance policies,  
275 providing insurance advice or counseling, or making specific  
276 recommendations or comparisons of insurance products for a fee  
277 established in advance by written contract signed by the  
278 parties. An unaffiliated insurance agent may not be affiliated  
279 with an insurer, insurer-appointed insurance agent, or insurance  
280 agency contracted with or employing insurer-appointed insurance  
281 agents.

282 Section 4. Effective January 1, 2015, section 626.0428,  
283 Florida Statutes, is amended to read:

284 626.0428 Agency personnel powers, duties, and limitations.—

285 (1) An individual employed by an agent or agency on salary  
286 who devotes full time to clerical work, with incidental taking  
287 of insurance applications or quoting or receiving premiums on  
288 incoming inquiries in the office of the agent or agency, is not  
289 deemed to be an agent or customer representative if his or her  
290 compensation does not include in whole or in part any

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291 commissions on such business and is not related to the  
292 production of applications, insurance, or premiums.

293 (2) An employee or authorized representative located at a  
294 designated branch of an agent or agency may not bind insurance  
295 coverage unless licensed and appointed as an agent or customer  
296 representative.

297 (3) An employee or authorized representative of an agent or  
298 agency may not initiate contact with any person for the purpose  
299 of soliciting insurance unless licensed and appointed as an  
300 agent or customer representative. As to title insurance, an  
301 employee of an agent or agency may not initiate contact with any  
302 individual proposed insured for the purpose of soliciting title  
303 insurance unless licensed as a title insurance agent or exempt  
304 from such licensure pursuant to s. 626.8417(4).

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

310 (b) Notwithstanding paragraph (a), the licensed agent in  
311 charge of an insurance agency may also be the agent in charge of  
312 additional branch office locations of the agency if insurance  
313 activities requiring licensure as an insurance agent do not  
314 occur at any location when an agent is not physically present  
315 and unlicensed employees at the location do not engage in  
316 insurance activities requiring licensure as an insurance agent  
317 or customer representative.

318 (c) An insurance agency and each branch place of business  
319 of an insurance agency shall designate an agent in charge and

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320 file the name and license number of the agent in charge and the  
321 physical address of the insurance agency location with the  
322 department and the department's website. The designation of the  
323 agent in charge may be changed at the option of the agency. A  
324 change of the designated agent in charge is effective upon  
325 notice to the department. Notice to the department must be  
326 provided within 30 days after such change.

327 (d) An insurance agency location may not conduct the  
328 business of insurance unless an agent in charge is designated by  
329 and providing services to the agency at all times. If the agent  
330 in charge designated with the department ends his or her  
331 affiliation with the agency for any reason and the agency fails  
332 to designate another agent in charge within 30 days as provided  
333 in paragraph (c) and such failure continues for 90 days, the  
334 agency license automatically expires on the 91st day after the  
335 date the designated agent in charge ended his or her affiliation  
336 with the agency.

337 (e) For purposes of this subsection, an "agent in charge"  
338 is the licensed and appointed agent responsible for the  
339 supervision of all individuals within an insurance agency  
340 location, regardless of whether the agent in charge handles a  
341 specific transaction or deals with the general public in the  
342 solicitation or negotiation of insurance contracts or the  
343 collection or accounting of money.

344 (f) An agent in charge of an insurance agency is  
345 accountable for the wrongful acts, misconduct, or violations of  
346 this code committed by the licensee or by any person under his  
347 or her supervision while acting on behalf of the agency.  
348 However, an agent in charge is not criminally liable for any act

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349 unless the agent in charge personally committed the act or knew  
350 or should have known of the act and of the facts constituting a  
351 violation of this code.

352 Section 5. Paragraph (b) of subsection (1) and subsection  
353 (7) of section 626.112, Florida Statutes, is amended to read:

354 626.112 License and appointment required; agents, customer  
355 representatives, adjusters, insurance agencies, service  
356 representatives, managing general agents.—

357 (1)

358 (b) Except as provided in subsection (6) or in applicable  
359 department rules, and in addition to other conduct described in  
360 this chapter with respect to particular types of agents, a  
361 license as an insurance agent, service representative, customer  
362 representative, or limited customer representative is required  
363 in order to engage in the solicitation of insurance. Effective  
364 October 1, 2014, limited customer representative licenses may  
365 not be issued. For purposes of this requirement, as applicable  
366 to ~~any of~~ the license types described in this section, the  
367 solicitation of insurance is the attempt to persuade any person  
368 to purchase an insurance product by:

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

371 2. Distributing an invitation to contract to prospective  
372 purchasers;

373 3. Making general or specific recommendations as to  
374 insurance products;

375 4. Completing orders or applications for insurance  
376 products;

377 5. Comparing insurance products, advising as to insurance

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378 matters, or interpreting policies or coverages; or  
379 6. Offering or attempting to negotiate on behalf of another  
380 person a viatical settlement contract as defined in s. 626.9911.  
381  
382 However, an employee leasing company licensed under ~~pursuant to~~  
383 chapter 468 which is seeking to enter into a contract with an  
384 employer that identifies products and services offered to  
385 employees may deliver proposals for the purchase of employee  
386 leasing services to prospective clients of the employee leasing  
387 company setting forth the terms and conditions of doing  
388 business; classify employees as permitted by s. 468.529; collect  
389 information from prospective clients and other sources as  
390 necessary to perform due diligence on the prospective client and  
391 to prepare a proposal for services; provide and receive  
392 enrollment forms, plans, and other documents; and discuss or  
393 explain in general terms the conditions, limitations, options,  
394 or exclusions of insurance benefit plans available to the client  
395 or employees of the employee leasing company were the client to  
396 contract with the employee leasing company. Any advertising  
397 materials or other documents describing specific insurance  
398 coverages must identify and be from a licensed insurer or its  
399 licensed agent or a licensed and appointed agent employed by the  
400 employee leasing company. The employee leasing company may not  
401 advise or inform the prospective business client or individual  
402 employees of specific coverage provisions, exclusions, or  
403 limitations of particular plans. As to clients for which the  
404 employee leasing company is providing services pursuant to s.  
405 468.525(4), the employee leasing company may engage in  
406 activities permitted by ss. 626.7315, 626.7845, and 626.8305,

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407 subject to the restrictions specified in those sections. If a  
408 prospective client requests more specific information concerning  
409 the insurance provided by the employee leasing company, the  
410 employee leasing company must refer the prospective business  
411 client to the insurer or its licensed agent or to a licensed and  
412 appointed agent employed by the employee leasing company.

413 Section 6. Effective January 1, 2015, subsection (7) of  
414 section 626.112, Florida Statutes, is amended to read:

415 626.112 License and appointment required; agents, customer  
416 representatives, adjusters, insurance agencies, service  
417 representatives, managing general agents.-

418 (7) (a) ~~An Effective October 1, 2006, no~~ individual, firm,  
419 partnership, corporation, association, or ~~any~~ other entity may  
420 not shall act in its own name or under a trade name, directly or  
421 indirectly, as an insurance agency, unless it possesses ~~complies~~  
422 ~~with s. 626.172 with respect to possessing~~ an insurance agency  
423 license issued pursuant to s. 626.172 for each place of business  
424 at which it engages in ~~any~~ activity that which may be performed  
425 only by a licensed insurance agent. However, an insurance agency  
426 that is owned and operated by a single licensed agent conducting  
427 business in his or her individual name and not employing or  
428 otherwise using the services of or appointing other licensees is  
429 exempt from the agency licensing requirements of this  
430 subsection.

431 (b) A branch place of business which is established by a  
432 licensed agency is considered a branch agency and is not  
433 required to be licensed if it transacts business under the same  
434 name and federal tax identification number as the licensed  
435 agency, has designated a licensed agent in charge of the

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436 location as required by s. 626.0428, and has submitted the  
437 address and telephone number of the location to the department  
438 for inclusion in the licensing record of the licensed agency  
439 within 30 days after insurance transactions begin at the  
440 location ~~Each agency engaged in business in this state before~~  
441 ~~January 1, 2003, which is wholly owned by insurance agents~~  
442 ~~currently licensed and appointed under this chapter, each~~  
443 ~~incorporated agency whose voting shares are traded on a~~  
444 ~~securities exchange, each agency designated and subject to~~  
445 ~~supervision and inspection as a branch office under the rules of~~  
446 ~~the National Association of Securities Dealers, and each agency~~  
447 ~~whose primary function is offering insurance as a service or~~  
448 ~~member benefit to members of a nonprofit corporation may file an~~  
449 ~~application for registration in lieu of licensure in accordance~~  
450 ~~with s. 626.172(3). Each agency engaged in business before~~  
451 ~~October 1, 2006, shall file an application for licensure or~~  
452 ~~registration on or before October 1, 2006.~~

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

457 ~~2. If an agency is eligible for registration but fails to~~  
458 ~~file an application for registration or an application for~~  
459 ~~licensure in accordance with this section, the department shall~~  
460 ~~impose on the agency an administrative penalty in an amount of~~  
461 ~~up to \$5,000.~~

462 (d)(b) Effective October 1, 2015, the department must  
463 automatically convert the registration of an approved a  
464 registered insurance agency to shall, as a condition precedent



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465 ~~to continuing business, obtain an insurance agency license if~~  
466 ~~the department finds that, with respect to any majority owner,~~  
467 ~~partner, manager, director, officer, or other person who manages~~  
468 ~~or controls the agency, any person has:~~

469 ~~1. Been found guilty of, or has pleaded guilty or nolo~~  
470 ~~contendere to, a felony in this state or any other state~~  
471 ~~relating to the business of insurance or to an insurance agency,~~  
472 ~~without regard to whether a judgment of conviction has been~~  
473 ~~entered by the court having jurisdiction of the cases.~~

474 ~~2. Employed any individual in a managerial capacity or in a~~  
475 ~~capacity dealing with the public who is under an order of~~  
476 ~~revocation or suspension issued by the department. An insurance~~  
477 ~~agency may request, on forms prescribed by the department,~~  
478 ~~verification of any person's license status. If a request is~~  
479 ~~mailed within 5 working days after an employee is hired, and the~~  
480 ~~employee's license is currently suspended or revoked, the agency~~  
481 ~~shall not be required to obtain a license, if the unlicensed~~  
482 ~~person's employment is immediately terminated.~~

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

485 ~~4. With such frequency as to have made the operation of the~~  
486 ~~agency hazardous to the insurance-buying public or other~~  
487 ~~persons:~~

488 ~~a. Solicited or handled controlled business. This~~  
489 ~~subparagraph shall not prohibit the licensing of any lending or~~  
490 ~~financing institution or creditor, with respect to insurance~~  
491 ~~only, under credit life or disability insurance policies of~~  
492 ~~borrowers from the institutions, which policies are subject to~~  
493 ~~part IX of chapter 627.~~

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

497 ~~e. Unlawfully rebated, attempted to unlawfully rebate, or~~  
498 ~~unlawfully divided or offered to divide commissions with~~  
499 ~~another.~~

500 ~~d. Misrepresented any insurance policy or annuity contract,~~  
501 ~~or used deception with regard to any policy or contract, done~~  
502 ~~either in person or by any form of dissemination of information~~  
503 ~~or advertising.~~

504 ~~e. Violated any provision of this code or any other law~~  
505 ~~applicable to the business of insurance in the course of dealing~~  
506 ~~under the license.~~

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

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

511 ~~h. Violated the provision against twisting as defined in s.~~  
512 ~~626.9541(1)(1).~~

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

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

517 ~~k. Engaged in fraudulent or dishonest practices in the~~  
518 ~~conduct of business arising out of activities related to~~  
519 ~~insurance or the insurance agency.~~

520 ~~l. Demonstrated lack of fitness or trustworthiness to~~  
521 ~~engage in the business of insurance arising out of activities~~  
522 ~~related to insurance or the insurance agency.~~

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

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

528 ~~6. Willfully circumvented the requirements or prohibitions~~  
529 ~~of this code.~~

530 Section 7. Subsections (2), (3), and (4) of section  
531 626.172, Florida Statutes, are amended to read:

532 626.172 Application for insurance agency license.—

533 (2) An application for an insurance agency license must  
534 ~~shall~~ be signed by an individual required to be listed in the  
535 application under paragraph (a) the owner or owners of the  
536 agency. If the agency is incorporated, the application shall be  
537 signed by the president and secretary of the corporation. An  
538 insurance agency may allow a third party to complete, submit,  
539 and sign an application on the insurance agency's behalf, but  
540 the insurance agency is responsible for ensuring that the  
541 information on the application is true and correct and is  
542 accountable for any misstatements or misrepresentations. The  
543 application for an insurance agency license must ~~shall~~ include:

544 (a) The name of each ~~majority~~ owner, partner, officer, ~~and~~  
545 director, president, senior vice president, secretary,  
546 treasurer, and limited liability company member, who directs or  
547 participates in the management or control of the insurance  
548 agency, whether through ownership of voting securities, by  
549 contract, by ownership of an agency bank account, or otherwise.

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

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552           (c) The name, principal business street address, and e-mail  
553 address of the insurance agency and the name, address, and e-  
554 mail address of the agency's registered agent or person or  
555 company authorized to accept service on behalf of the agency ~~its~~  
556 ~~principal business address.~~

557           (d) The name, physical address, e-mail address, and  
558 telephone number ~~location~~ of each branch agency and the date  
559 that the branch location begins transacting insurance ~~office and~~  
560 ~~the name under which each agency office conducts or will conduct~~  
561 ~~business.~~

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

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

566           1. A sole proprietor;

567           2. Each individual required to be listed in the application  
568 under paragraph (a) partner; and

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

570           ~~3.4.~~ Each individual owner who directs or participates in  
571 the management or control of an incorporated agency whose shares  
572 are not traded on a securities exchange;

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

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

578

579 Fingerprints must be taken by a law enforcement agency or other  
580 entity approved by the department and must be accompanied by the

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581 fingerprint processing fee specified in s. 624.501. Fingerprints  
582 must ~~shall~~ be processed in accordance with s. 624.34. However,  
583 fingerprints need not be filed for an ~~any~~ individual who is  
584 currently licensed and appointed under this chapter. This  
585 paragraph does not apply to corporations whose voting shares are  
586 traded on a securities exchange.

587 (g) Such additional information as the department requires  
588 by rule to ascertain the trustworthiness and competence of  
589 persons required to be listed on the application and to  
590 ascertain that such persons meet the requirements of this code.  
591 However, the department may not require that credit or character  
592 reports be submitted for persons required to be listed on the  
593 application.

594 (3)(h) ~~Beginning October 1, 2005,~~ The department must ~~shall~~  
595 accept the uniform application for nonresident agency licensure.  
596 The department may adopt by rule revised versions of the uniform  
597 application.

598 ~~(3) The department shall issue a registration as an~~  
599 ~~insurance agency to any agency that files a written application~~  
600 ~~with the department and qualifies for registration. The~~  
601 ~~application for registration shall require the agency to provide~~  
602 ~~the same information required for an agency licensed under~~  
603 ~~subsection (2), the agent identification number for each owner~~  
604 ~~who is a licensed agent, proof that the agency qualifies for~~  
605 ~~registration as provided in s. 626.112(7), and any other~~  
606 ~~additional information that the department determines is~~  
607 ~~necessary in order to demonstrate that the agency qualifies for~~  
608 ~~registration. The application must be signed by the owner or~~  
609 ~~owners of the agency. If the agency is incorporated, the~~

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610 ~~application must be signed by the president and the secretary of~~  
611 ~~the corporation. An agent who owns the agency need not file~~  
612 ~~fingerprints with the department if the agent obtained a license~~  
613 ~~under this chapter and the license is currently valid.~~

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

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

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

626 (4) The department must ~~shall~~ issue a license ~~or~~  
627 ~~registration~~ to each agency upon approval of the application,  
628 and each agency location must ~~shall~~ display the license ~~or~~  
629 ~~registration~~ prominently in a manner that makes it clearly  
630 visible to any customer or potential customer who enters the  
631 agency location.

632 Section 8. Present subsection (6) of section 626.311,  
633 Florida Statutes, is redesignated as subsection (7), and a new  
634 subsection (6) is added to that section, to read:

635 626.311 Scope of license.—

636 (6) An agent who appoints his or her license as an  
637 unaffiliated insurance agent may not hold an appointment from an  
638 insurer for any license he or she holds; transact, solicit, or

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639 service an insurance contract on behalf of an insurer; interfere  
640 with commissions received or to be received by an insurer-  
641 appointed insurance agent or an insurance agency contracted with  
642 or employing insurer-appointed insurance agents; or receive  
643 compensation or any other thing of value from an insurer, an  
644 insurer-appointed insurance agent, or an insurance agency  
645 contracted with or employing insurer-appointed insurance agents  
646 for any transaction or referral occurring after the date of  
647 appointment as an unaffiliated insurance agent. An unaffiliated  
648 insurance agent may continue to receive commissions on sales  
649 that occurred before the date of appointment as an unaffiliated  
650 insurance agent if the receipt of such commissions is disclosed  
651 when making recommendations or evaluating products for a client  
652 that involve products of the entity from which the commissions  
653 are received.

654 Section 9. Paragraph (d) of subsection (1) of section  
655 626.321, Florida Statutes, is amended to read:

656 626.321 Limited licenses.—

657 (1) The department shall issue to a qualified applicant a  
658 license as agent authorized to transact a limited class of  
659 business in any of the following categories of limited lines  
660 insurance:

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

662 1. License covering only insurance of the risks set forth  
663 in this paragraph when offered, sold, or solicited with and  
664 incidental to the rental or lease of a motor vehicle and which  
665 applies only to the motor vehicle that is the subject of the  
666 lease or rental agreement and the occupants of the motor  
667 vehicle:

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668 a. Excess motor vehicle liability insurance providing  
669 coverage in excess of the standard liability limits provided by  
670 the lessor in the lessor's lease to a person renting or leasing  
671 a motor vehicle from the licensee's employer for liability  
672 arising in connection with the negligent operation of the leased  
673 or rented motor vehicle.

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

676 c. Insurance covering the loss of or damage to baggage,  
677 personal effects, or travel documents of a person renting or  
678 leasing a motor vehicle.

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

682 2. Insurance under a motor vehicle rental insurance license  
683 may be issued only if the lease or rental agreement is for up to  
684 ~~no more than~~ 60 days, the lessee is not provided coverage for  
685 more than 60 consecutive days per lease period, and the lessee  
686 is given written notice that his or her personal insurance  
687 policy providing coverage on an owned motor vehicle may provide  
688 coverage of such risks and that the purchase of the insurance is  
689 not required in connection with the lease or rental of a motor  
690 vehicle. If the lease is extended beyond 60 days, the coverage  
691 may be extended ~~one time~~ only once for up to ~~a period not to~~  
692 ~~exceed an additional~~ 60 days. Insurance may be provided to the  
693 lessee as an additional insured on a policy issued to the  
694 licensee's employer.

695 3. The license may be issued only to the full-time salaried  
696 employee of a licensed general lines agent or to a business



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697 entity that offers motor vehicles for rent or lease if insurance  
698 sales activities authorized by the license are in connection  
699 with and incidental to the rental or lease of a motor vehicle.

700 a. A license issued to a business entity that offers motor  
701 vehicles for rent or lease encompasses each office, branch  
702 office, employee, authorized representative located at a  
703 designated branch, or place of business making use of the  
704 entity's business name in order to offer, solicit, and sell  
705 insurance pursuant to this paragraph.

706 b. The application for licensure must list the name,  
707 address, and phone number for each office, branch office, or  
708 place of business which ~~that~~ is to be covered by the license.  
709 The licensee shall notify the department of the name, address,  
710 and phone number of any new location that is to be covered by  
711 the license before the new office, branch office, or place of  
712 business engages in the sale of insurance pursuant to this  
713 paragraph. The licensee must notify the department within 30  
714 days after closing or terminating an office, branch office, or  
715 place of business. Upon receipt of the notice, the department  
716 shall delete the office, branch office, or place of business  
717 from the license.

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

720 Section 10. Effective January, 1, 2015, section 626.382,  
721 Florida Statutes, is amended to read:

722 626.382 Continuation, expiration of license; insurance  
723 agencies.—The license of an ~~any~~ insurance agency ~~shall be issued~~  
724 ~~for a period of 3 years and~~ shall continue in force until  
725 canceled, suspended, or ~~revoked,~~ or until it is otherwise

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726 terminated or becomes expired by operation of law. ~~A license may~~  
727 ~~be renewed by submitting a renewal request to the department on~~  
728 ~~a form adopted by department rule.~~

729 Section 11. Section 626.601, Florida Statutes, is amended  
730 to read:

731 626.601 Improper conduct; investigation inquiry;  
732 fingerprinting.—

733 (1) The department or office may, upon its own motion or  
734 upon a written complaint signed by an ~~any~~ interested person and  
735 filed with the department or office, inquire into the ~~any~~  
736 alleged improper conduct of any licensed, approved, or certified  
737 licensee, insurance agency, agent, adjuster, service  
738 representative, managing general agent, customer representative,  
739 title insurance agent, title insurance agency, mediator, neutral  
740 evaluator, navigator, continuing education course provider,  
741 instructor, school official, or monitor group under this code.  
742 The department or office may thereafter initiate an  
743 investigation of ~~any~~ such individual or entity licensee if it  
744 has reasonable cause to believe that the individual or entity  
745 licensee has violated any provision of the insurance code.

746 During the course of its investigation, the department or office  
747 shall contact the individual or entity licensee being  
748 investigated unless it determines that contacting such  
749 individual or entity person could jeopardize the successful  
750 completion of the investigation or cause injury to the public.

751 (2) In the investigation by the department or office of the  
752 alleged misconduct, the individual or entity licensee shall, if  
753 ~~whenever so~~ required by the department or office, open the  
754 individual's or entity's ~~cause his or her~~ books and records ~~to~~

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755 ~~be open~~ for inspection for the purpose of such investigation  
756 inquiries.

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

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

765 (5) If the department or office, after investigation, has  
766 reason to believe that an individual ~~a licensee~~ may have been  
767 found guilty of or pleaded guilty or nolo contendere to a felony  
768 or a crime related to the business of insurance in this or any  
769 other state or jurisdiction, the department or office may  
770 require the individual ~~licensee~~ to file with the department or  
771 office a complete set of his or her fingerprints, ~~which shall be~~  
772 accompanied by the fingerprint processing fee set forth in s.  
773 624.501. The fingerprints shall be taken by an authorized law  
774 enforcement agency or other department-approved entity.

775 (6) The complaint and any information obtained pursuant to  
776 the investigation by the department or office are confidential  
777 and ~~are~~ exempt from ~~the provisions of~~ s. 119.07, unless the  
778 department or office files a formal administrative complaint,  
779 emergency order, or consent order against the individual or  
780 entity licensee. ~~Nothing in~~ This subsection does not ~~shall be~~  
781 ~~construed to~~ prevent the department or office from disclosing  
782 the complaint or such information as it deems necessary to  
783 conduct the investigation, to update the complainant as to the

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784 status and outcome of the complaint, or to share such  
785 information with any law enforcement agency or other regulatory  
786 body.

787 Section 12. Subsection (15) is added to section 626.621,  
788 Florida Statutes, to read:

789 626.621 Grounds for discretionary refusal, suspension, or  
790 revocation of agent's, adjuster's, customer representative's,  
791 service representative's, or managing general agent's license or  
792 appointment.—The department may, in its discretion, deny an  
793 application for, suspend, revoke, or refuse to renew or continue  
794 the license or appointment of any applicant, agent, adjuster,  
795 customer representative, service representative, or managing  
796 general agent, and it may suspend or revoke the eligibility to  
797 hold a license or appointment of any such person, if it finds  
798 that as to the applicant, licensee, or appointee any one or more  
799 of the following applicable grounds exist under circumstances  
800 for which such denial, suspension, revocation, or refusal is not  
801 mandatory under s. 626.611:

802 (15) Directly or indirectly accepting any compensation,  
803 inducement, or reward from an inspector or inspection company  
804 for referring the owner of property requiring inspection to the  
805 inspector or inspection company. This prohibition applies to any  
806 inspection of property intended for submission to a carrier in  
807 order to obtain insurance coverage or to determine the  
808 appropriate amount of the insurance premium.

809 Section 13. Effective January 1, 2015, section 626.747,  
810 Florida Statutes, is repealed.

811 Section 14. Effective January 1, 2015, subsection (1) of  
812 section 626.8411, Florida Statutes, is amended to read:

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813           626.8411 Application of Florida Insurance Code provisions  
814 to title insurance agents or agencies.-

815           (1) The following provisions ~~of part II~~ applicable to  
816 general lines agents or agencies also apply to title insurance  
817 agents or agencies:

818           (a) Section 626.734, relating to liability of certain  
819 agents.

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

822           (c) Section 626.749, relating to place of business in  
823 residence.

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

825           (e) Section 626.754, relating to rights of agent following  
826 termination of appointment.

827           Section 15. Subsections (14) and (18) of section 626.854,  
828 Florida Statutes, are amended to read:

829           626.854 "Public adjuster" defined; prohibitions.-The  
830 Legislature finds that it is necessary for the protection of the  
831 public to regulate public insurance adjusters and to prevent the  
832 unauthorized practice of law.

833           ~~(14) A company employee adjuster, independent adjuster,  
834 attorney, investigator, or other persons acting on behalf of an  
835 insurer that needs access to an insured or claimant or to the  
836 insured property that is the subject of a claim must provide at  
837 least 48 hours' notice to the insured or claimant, public  
838 adjuster, or legal representative before scheduling a meeting  
839 with the claimant or an onsite inspection of the insured  
840 property. The insured or claimant may deny access to the  
841 property if the notice has not been provided. The insured or~~

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842 claimant may waive the ~~48-hour~~ notice.

843 ~~(17)-(18)~~ The provisions of Subsections (5)-(16) ~~(5)-(17)~~  
844 apply only to residential property insurance policies and  
845 condominium unit owner policies as defined in s. 718.111(11).

846 Section 16. Paragraph (c) of subsection (2) and subsection  
847 (3) of section 626.8805, Florida Statutes, are amended to read:

848 626.8805 Certificate of authority to act as administrator.-

849 (2) The administrator shall file with the office an  
850 application for a certificate of authority upon a form to be  
851 adopted by the commission and furnished by the office, which  
852 application shall include or have attached the following  
853 information and documents:

854 (c) The names, addresses, official positions, and  
855 professional qualifications of the individuals employed or  
856 retained by the administrator who are responsible for the  
857 conduct of the affairs of the administrator, including all  
858 members of the board of directors, board of trustees, executive  
859 committee, or other governing board or committee, and the  
860 principal officers in the case of a corporation or, the partners  
861 or members in the case of a partnership or association, ~~and any~~  
862 ~~other person who exercises control or influence over the affairs~~  
863 of the administrator.

864 (3) The applicant shall make available for inspection by  
865 the office copies of all contracts relating to services provided  
866 by the administrator to ~~with~~ insurers or other persons using  
867 ~~utilizing~~ the services of the administrator.

868 Section 17. Subsections (1) and (3) of section 626.8817,  
869 Florida Statutes, are amended to read:

870 626.8817 Responsibilities of insurance company with respect

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871 to administration of coverage insured.-

872 (1) If an insurer uses the services of an administrator,  
873 the insurer is responsible for determining the benefits, premium  
874 rates, underwriting criteria, and claims payment procedures  
875 applicable to the coverage and for securing reinsurance, if any.  
876 The rules pertaining to these matters shall be provided, in  
877 writing, by the insurer or its designee to the administrator.  
878 The responsibilities of the administrator as to any of these  
879 matters shall be set forth in a the written agreement binding  
880 upon between the administrator and the insurer.

881 (3) If ~~In cases in which~~ an administrator administers  
882 benefits for more than 100 certificateholders on behalf of an  
883 insurer, the insurer shall, at least semiannually, conduct a  
884 review of the operations of the administrator. At least one such  
885 review must be an onsite audit of the operations of the  
886 administrator. The insurer may contract with a qualified third  
887 party to conduct such review.

888 Section 18. Subsections (1) and (4) of section 626.882,  
889 Florida Statutes, are amended to read:

890 626.882 Agreement between administrator and insurer;  
891 required provisions; maintenance of records.-

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

896 (4) If a policy is issued to a trustee or trustees, a copy  
897 of the trust agreement and any amendments to that agreement  
898 shall be furnished to the insurer or its designee by the  
899 administrator and shall be retained as part of the official

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900 records of both the administrator and the insurer for the  
901 duration of the policy and for 5 years thereafter.

902 Section 19. Subsections (3), (4), and (5) of section  
903 626.883, Florida Statutes, are amended to read:

904 626.883 Administrator as intermediary; collections held in  
905 fiduciary capacity; establishment of account; disbursement;  
906 payments on behalf of insurer.—

907 (3) If charges or premiums deposited in a fiduciary account  
908 have been collected on behalf of or for more than one insurer,  
909 the administrator shall keep records clearly recording the  
910 deposits in and withdrawals from such account on behalf of or  
911 for each insurer. The administrator shall, upon request of an  
912 insurer or its designee, furnish such insurer or designee with  
913 copies of records pertaining to deposits and withdrawals on  
914 behalf of or for such insurer.

915 (4) The administrator may not pay any claim by withdrawals  
916 from a fiduciary account. Withdrawals from such account shall be  
917 made as provided in the written agreement required under ss.  
918 626.8817 and 626.882 ~~between the administrator and the insurer~~  
919 for any of the following:

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

921 (b) Deposit in an account maintained in the name of such  
922 insurer.

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

925 (d) Payment to a group policyholder for remittance to the  
926 insurer entitled to such remittance.

927 (e) Payment to the administrator of the commission, fees,  
928 or charges of the administrator.



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

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

934 Section 20. Subsection (3) of section 626.884, Florida  
935 Statutes, is amended to read:

936 626.884 Maintenance of records by administrator; access;  
937 confidentiality.—

938 (3) The insurer shall retain the right of continuing access  
939 to books and records maintained by the administrator sufficient  
940 to permit the insurer to fulfill all of its contractual  
941 obligations to insured persons, subject to any restrictions in  
942 the written agreement pertaining to ~~between the insurer and the~~  
943 ~~administrator~~ on the proprietary rights of the parties in such  
944 books and records.

945 Section 21. Subsections (1) and (2) of section 626.89,  
946 Florida Statutes, are amended to read:

947 626.89 Annual financial statement and filing fee; notice of  
948 change of ownership.—

949 (1) Each authorized administrator shall annually file with  
950 the office a full and true statement of its financial condition,  
951 transactions, and affairs within 3 months after the end of the  
952 administrator's fiscal year. ~~The statement shall be filed~~  
953 ~~annually on or before March 1~~ or within such extension of time  
954 ~~therefor~~ as the office for good cause may have granted. The  
955 statement must and shall be for the preceding fiscal calendar  
956 year and must. ~~The statement shall~~ be in such form and contain  
957 such matters as the commission prescribes and must ~~shall~~ be

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958 verified by at least two officers of the ~~such~~ administrator. ~~An~~  
959 ~~administrator whose sole stockholder is an association~~  
960 ~~representing health care providers which is not an affiliate of~~  
961 ~~an insurer, an administrator of a pooled governmental self-~~  
962 ~~insurance program, or an administrator that is a university may~~  
963 ~~submit the preceding fiscal year's statement within 2 months~~  
964 ~~after its fiscal year end.~~

965 (2) Each authorized administrator shall also file an  
966 audited financial statement performed by an independent  
967 certified public accountant. The audited financial statement  
968 shall be filed with the office within 5 months after the end of  
969 the administrator's fiscal year and be on or before June 1 for  
970 the preceding fiscal ~~calendar~~ year ending ~~December 31~~. An  
971 ~~administrator whose sole stockholder is an association~~  
972 ~~representing health care providers which is not an affiliate of~~  
973 ~~an insurer, an administrator of a pooled governmental self-~~  
974 ~~insurance program, or an administrator that is a university may~~  
975 ~~submit the preceding fiscal year's audited financial statement~~  
976 ~~within 5 months after the end of its fiscal year.~~ An audited  
977 financial statement prepared on a consolidated basis must  
978 include a columnar consolidating or combining worksheet that  
979 must be filed with the statement and must comply with the  
980 following:

981 (a) Amounts shown on the consolidated audited financial  
982 statement must be shown on the worksheet;

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

984 (c) Explanations of consolidating and eliminating entries  
985 must be included.

986 Section 22. Section 626.931, Florida Statutes, is amended

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987 to read:

988       626.931 ~~Agent affidavit and Insurer reporting~~  
989 requirements.-

990       ~~(1) Each surplus lines agent shall on or before the 45th~~  
991 ~~day following each calendar quarter file with the Florida~~  
992 ~~Surplus Lines Service Office an affidavit, on forms as~~  
993 ~~prescribed and furnished by the Florida Surplus Lines Service~~  
994 ~~Office, stating that all surplus lines insurance transacted by~~  
995 ~~him or her during such calendar quarter has been submitted to~~  
996 ~~the Florida Surplus Lines Service Office as required.~~

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

1000       (1)~~(3)~~ Each foreign insurer accepting premiums shall, on or  
1001 before the end of the month following each calendar quarter,  
1002 file with the Florida Surplus Lines Service Office a verified  
1003 report of all surplus lines insurance transacted by such insurer  
1004 for insurance risks located in this state during the ~~such~~  
1005 calendar quarter.

1006       (2)~~(4)~~ Each alien insurer accepting premiums shall, on or  
1007 before June 30 of each year, file with the Florida Surplus Lines  
1008 Service Office a verified report of all surplus lines insurance  
1009 transacted by such insurer for insurance risks located in this  
1010 state during the preceding calendar year.

1011       (3)~~(5)~~ The department may waive the filing requirements  
1012 described in subsections (1) ~~(3)~~ and (2) ~~(4)~~.

1013       (4)~~(6)~~ Each insurer's report and supporting information  
1014 shall be in a computer-readable format as determined by the  
1015 Florida Surplus Lines Service Office or ~~shall~~ be submitted on

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1016 forms prescribed by the Florida Surplus Lines Service Office and  
1017 ~~shall~~ show for each applicable agent:

1018 (a) A listing of all policies, certificates, cover notes,  
1019 or other forms of confirmation of insurance coverage or any  
1020 substitutions thereof or endorsements thereto and the  
1021 identifying number; and

1022 (b) Any additional information required by the department  
1023 or Florida Surplus Lines Service Office.

1024 Section 23. Paragraph (a) of subsection (2) of section  
1025 626.932, Florida Statutes, is amended to read:

1026 626.932 Surplus lines tax.—

1027 (2) (a) The surplus lines agent shall make payable to the  
1028 department the tax related to each calendar quarter's business  
1029 as reported to the Florida Surplus Lines Service Office, and  
1030 remit the tax to the Florida Surplus Lines Service Office on or  
1031 before the 45th day after each calendar quarter ~~at the same time~~  
1032 ~~as provided for the filing of the quarterly affidavit, under s.~~  
1033 ~~626.931.~~ The Florida Surplus Lines Service Office shall forward  
1034 to the department the taxes and any interest collected pursuant  
1035 to paragraph (b), within 10 days after ~~of~~ receipt.

1036 Section 24. Subsection (1) of section 626.935, Florida  
1037 Statutes, is amended to read:

1038 626.935 Suspension, revocation, or refusal of surplus lines  
1039 agent's license.—

1040 (1) The department shall deny an application for, suspend,  
1041 revoke, or refuse to renew the appointment of a surplus lines  
1042 agent and all other licenses and appointments held by the  
1043 licensee under this code, on any of the following grounds:

1044 (a) Removal of the licensee's office from the licensee's

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1045 state of residence.

1046 (b) Removal of the accounts and records of his or her  
1047 surplus lines business from this state or the licensee's state  
1048 of residence during the period when such accounts and records  
1049 are required to be maintained under s. 626.930.

1050 (c) Closure of the licensee's office for more than 30  
1051 consecutive days.

1052 ~~(d) Failure to make and file his or her affidavit or~~  
1053 ~~reports when due as required by s. 626.931.~~

1054 (d)~~(e)~~ Failure to pay the tax or service fee on surplus  
1055 lines premiums, as provided in the Surplus Lines Law.

1056 (e)~~(f)~~ Suspension, revocation, or refusal to renew or  
1057 continue the license or appointment as a general lines agent,  
1058 service representative, or managing general agent.

1059 (f)~~(g)~~ Lack of qualifications as for an original surplus  
1060 lines agent's license.

1061 (g)~~(h)~~ Violation of this Surplus Lines Law.

1062 (h)~~(i)~~ ~~For~~ Any other applicable cause for which the license  
1063 of a general lines agent could be suspended, revoked, or refused  
1064 under s. 626.611 or s. 626.621.

1065 Section 25. Subsection (1) of section 626.936, Florida  
1066 Statutes, is amended to read:

1067 626.936 Failure to file reports or pay tax or service fee;  
1068 administrative penalty.—

1069 (1) A ~~Any~~ licensed surplus lines agent who neglects to file  
1070 a report ~~or an affidavit~~ in the form and within the time  
1071 required under ~~or provided for in~~ the Surplus Lines Law may be  
1072 fined up to \$50 per day for each day the neglect continues,  
1073 beginning the day after the report ~~or affidavit~~ was due until

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1074 the date the report ~~or affidavit~~ is received. All sums collected  
 1075 under this section shall be deposited into the Insurance  
 1076 Regulatory Trust Fund.

1077 Section 26. Paragraph (q) of subsection (1) of section  
 1078 626.9541, Florida Statutes, is amended to read:

1079 626.9541 Unfair methods of competition and unfair or  
 1080 deceptive acts or practices defined.—

1081 (1) UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE  
 1082 ACTS.—The following are defined as unfair methods of competition  
 1083 and unfair or deceptive acts or practices:

1084 (q) *Certain insurance transactions through credit card*  
 1085 *facilities prohibited.—*

1086 1. Except as provided in subparagraph 3., no person shall  
 1087 knowingly solicit or negotiate ~~any~~ insurance; seek or accept  
 1088 applications for insurance; issue or deliver any policy;  
 1089 receive, collect, or transmit premiums, to or for an ~~any~~  
 1090 insurer; or otherwise transact insurance in this state, or  
 1091 relative to a subject of insurance resident, located, or to be  
 1092 performed in this state, through the arrangement or facilities  
 1093 of a credit card facility or organization, for the purpose of  
 1094 insuring credit card holders or prospective credit card holders.  
 1095 The term "credit card holder" as used in this paragraph means a  
 1096 ~~any~~ person who may pay the charge for purchases or other  
 1097 transactions through the credit card facility or organization,  
 1098 whose credit with such facility or organization is evidenced by  
 1099 a credit card identifying such person as being one whose charges  
 1100 the credit card facility or organization will pay, and who is  
 1101 identified as such upon the credit card ~~either~~ by name, account  
 1102 number, symbol, insignia, or ~~any~~ other method or device of

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1103 identification. This subparagraph does not apply as to health  
1104 insurance or to credit life, credit disability, or credit  
1105 property insurance.

1106 2. If ~~Whenever~~ any person does or performs in this state  
1107 any of the acts in violation of subparagraph 1. for or on behalf  
1108 of an ~~any~~ insurer or credit card facility, such insurer or  
1109 credit card facility shall be deemed ~~held~~ to be doing business  
1110 in this state and, if an insurer, shall be subject to the same  
1111 state, county, and municipal taxes as insurers that have been  
1112 legally qualified and admitted to do business in this state by  
1113 agents or otherwise are subject, the same to be assessed and  
1114 collected against such insurers; and such person so doing or  
1115 performing any of such acts is ~~shall be~~ personally liable for  
1116 all such taxes.

1117 3. A licensed agent or insurer may solicit or negotiate ~~any~~  
1118 insurance; seek or accept applications for insurance; issue or  
1119 deliver any policy; receive, collect, or transmit premiums, to  
1120 or for an ~~any~~ insurer; or otherwise transact insurance in this  
1121 state, or relative to a subject of insurance resident, located,  
1122 or to be performed in this state, through the arrangement or  
1123 facilities of a credit card facility or organization, for the  
1124 purpose of insuring credit card holders or prospective credit  
1125 card holders if:

1126 a. The insurance or policy which is the subject of the  
1127 transaction is noncancelable by any person other than the named  
1128 insured, the policyholder, or the insurer;

1129 b. Any refund of unearned premium is made ~~directly~~ to the  
1130 credit card holder by mail or electronic transfer; and

1131 c. The credit card transaction is authorized by the

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1132 signature of the credit card holder or other person authorized  
1133 to sign on the credit card account.

1134  
1135 The conditions enumerated in sub-subparagraphs a.-c. do not  
1136 apply to health insurance or to credit life, credit disability,  
1137 or credit property insurance; and sub-subparagraph c. does not  
1138 apply to property and casualty insurance if ~~so long as~~ the  
1139 transaction is authorized by the insured.

1140 4. No person may use or disclose information resulting from  
1141 the use of a credit card in conjunction with the purchase of  
1142 insurance if, ~~when~~ such information is to the advantage of the  
1143 ~~such~~ credit card facility or an insurance agent, or is to the  
1144 detriment of the insured or any other insurance agent; except  
1145 that this provision does not prohibit a credit card facility  
1146 from using or disclosing such information in a any judicial  
1147 proceeding or consistent with applicable law on credit  
1148 reporting.

1149 5. ~~No~~ Such insurance may not ~~shall~~ be sold through a credit  
1150 card facility in conjunction with membership in any automobile  
1151 club. The term "automobile club" means a legal entity that  
1152 ~~which~~, in consideration of dues, assessments, or periodic  
1153 payments of money, promises its members or subscribers to assist  
1154 them in matters relating to the ownership, operation, use, or  
1155 maintenance of a motor vehicle; however, the term ~~definition of~~  
1156 ~~automobile clubs~~ does not include persons, associations, or  
1157 corporations that ~~which~~ are organized and operated solely for  
1158 the purpose of conducting, sponsoring, or sanctioning motor  
1159 vehicle races, exhibitions, or contests upon racetracks, or upon  
1160 race courses established and marked as such for the duration of



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1161 such particular event. The words "motor vehicle" used herein  
1162 shall be the same as defined in chapter 320.

1163 Section 27. Paragraph (b) of subsection (2) of section  
1164 627.062, Florida Statutes, is amended to read:

1165 627.062 Rate standards.—

1166 (2) As to all such classes of insurance:

1167 (b) Upon receiving a rate filing, the office shall review  
1168 the filing to determine whether the ~~if a~~ rate is excessive,  
1169 inadequate, or unfairly discriminatory. In making that  
1170 determination, the office shall, in accordance with generally  
1171 accepted and reasonable actuarial techniques, consider the  
1172 following factors:

1173 1. Past and prospective loss experience within and without  
1174 this state.

1175 2. Past and prospective expenses.

1176 3. The degree of competition among insurers for the risk  
1177 insured.

1178 4. Investment income reasonably expected by the insurer,  
1179 consistent with the insurer's investment practices, from  
1180 investable premiums anticipated in the filing, plus any other  
1181 expected income from currently invested assets representing the  
1182 amount expected on unearned premium reserves and loss reserves.  
1183 The commission may adopt rules using reasonable techniques of  
1184 actuarial science and economics to specify the manner in which  
1185 insurers calculate investment income attributable to classes of  
1186 insurance written in this state and the manner in which  
1187 investment income is used to calculate insurance rates. Such  
1188 manner must contemplate allowances for an underwriting profit  
1189 factor and full consideration of investment income that ~~which~~

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1190 produce a reasonable rate of return; however, investment income  
1191 from invested surplus may not be considered.

1192 5. The reasonableness of the judgment reflected in the  
1193 filing.

1194 6. Dividends, savings, or unabsorbed premium deposits  
1195 allowed or returned to Florida policyholders, members, or  
1196 subscribers.

1197 7. The adequacy of loss reserves.

1198 8. The cost of reinsurance. The office may not disapprove a  
1199 rate as excessive solely due to the insurer's ~~insurer~~ having  
1200 obtained catastrophic reinsurance to cover the insurer's  
1201 estimated 250-year probable maximum loss or any lower level of  
1202 loss.

1203 9. Trend factors, including trends in actual losses per  
1204 insured unit for the insurer making the filing.

1205 10. Conflagration and catastrophe hazards, if applicable.

1206 11. Projected hurricane losses, if applicable, which must  
1207 be estimated using a model or method, or a straight average of  
1208 model results or output ranges, which are independently found to  
1209 be acceptable or reliable by the Florida Commission on Hurricane  
1210 Loss Projection Methodology~~7~~, and as further provided in s.  
1211 627.0628.

1212 12. A reasonable margin for underwriting profit and  
1213 contingencies.

1214 13. The cost of medical services, if applicable.

1215 14. Other relevant factors that affect the frequency or  
1216 severity of claims or expenses.

1217 Section 28. Paragraph (d) of subsection (3) of section  
1218 627.0628, Florida Statutes, is amended to read:

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1219 627.0628 Florida Commission on Hurricane Loss Projection  
 1220 Methodology; public records exemption; public meetings  
 1221 exemption.—

1222 (3) ADOPTION AND EFFECT OF STANDARDS AND GUIDELINES.—

1223 (d) With respect to a rate filing under s. 627.062, an  
 1224 insurer shall employ and may not modify or adjust actuarial  
 1225 methods, principles, standards, models, or output ranges found  
 1226 by the commission to be accurate or reliable in determining  
 1227 hurricane loss factors for use in a rate filing under s.  
 1228 627.062. An insurer shall employ and may not modify or adjust  
 1229 models found by the commission to be accurate or reliable in  
 1230 determining probable maximum loss levels pursuant to paragraph  
 1231 (b) with respect to a rate filing under s. 627.062 made more  
 1232 than 180 ~~60~~ days after the commission has made such findings.  
 1233 This paragraph does not prohibit an insurer from using a  
 1234 straight average of model results or output ranges or using  
 1235 straight averages for the purposes of a rate filing under s.  
 1236 627.062.

1237 Section 29. Subsection (8) of section 627.0651, Florida  
 1238 Statutes, is amended to read:

1239 627.0651 Making and use of rates for motor vehicle  
 1240 insurance.—

1241 (8) Rates are not unfairly discriminatory if averaged  
 1242 broadly among members of a group; nor are rates unfairly  
 1243 discriminatory even though they are lower than rates for  
 1244 nonmembers of the group. However, such rates are unfairly  
 1245 discriminatory if they are not actuarially measurable and  
 1246 credible and sufficiently related to actual or expected loss and  
 1247 expense experience of the group so as to ensure ~~assure~~ that

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1248 nonmembers of the group are not unfairly discriminated against.  
1249 Use of a single United States Postal Service zip code as a  
1250 rating territory shall be deemed unfairly discriminatory unless  
1251 filed pursuant to paragraph (1)(a) and such rating territory  
1252 incorporates sufficient actual or expected loss and loss  
1253 adjustment expense experience so as to be actuarially measurable  
1254 and credible.

1255 Section 30. Subsection (6) is added to section 627.0653,  
1256 Florida Statutes, to read:

1257 627.0653 Insurance discounts for specified motor vehicle  
1258 equipment.—

1259 (6) The office may approve a premium discount applicable to  
1260 any rates, rating schedules, or rating manuals for liability,  
1261 personal injury protection, and collision coverages for motor  
1262 vehicle insurance policies filed with the office for vehicles  
1263 equipped with electronic vehicle crash avoidance technology that  
1264 is factory installed or with a retrofitted system that complies  
1265 with National Highway Traffic Safety Administration standards.

1266 Section 31. Present subsections (2) through (4) of section  
1267 627.072, Florida Statutes, are redesignated as subsections (3)  
1268 through (5), respectively, and a new subsection (2) is added to  
1269 that section, to read:

1270 627.072 Making and use of rates.—

1271 (2) A retrospective rating plan may contain a provision  
1272 that allows for the negotiation of premium between the employer  
1273 and the insurer for employers having exposure in more than one  
1274 state, an estimated annual standard premium in this state of  
1275 \$100,000 or more for workers' compensation, and an estimated  
1276 annual countrywide standard premium of \$750,000 or more for

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1277 workers' compensation. Provisions within a retrospective rating  
1278 plan which authorize negotiated premiums are exempt from  
1279 subsection (1). Such plans and associated forms must be filed by  
1280 a rating organization and approved by the office. However, a  
1281 premium negotiated between the employer and the insurer pursuant  
1282 to an approved retrospective rating plan is not subject to this  
1283 part. Only insurers having at least \$500 million in surplus as  
1284 to policyholders may engage in the negotiation of premium with  
1285 eligible employers.

1286 Section 32. Subsection (2) of section 627.281, Florida  
1287 Statutes, is amended to read:

1288 627.281 Appeal from rating organization; workers'  
1289 compensation and employer's liability insurance filings.—

1290 (2) If the ~~such~~ appeal is based on ~~upon~~ the failure of the  
1291 rating organization to make a filing on behalf of a ~~such~~ member  
1292 or subscriber which is based on a system of expense provisions  
1293 which ~~differs~~, in accordance with the right granted in s.  
1294 627.072(3) ~~627.072(2)~~, differs from the system of expense  
1295 provisions included in a filing made by the rating organization,  
1296 the office shall, if it grants the appeal, order the rating  
1297 organization to make the requested filing for use by the  
1298 appellant. In deciding such appeal, the office shall apply the  
1299 applicable standards set forth in ss. 627.062 and 627.072.

1300 Section 33. Paragraph (h) of subsection (5) of section  
1301 627.311, Florida Statutes, is amended to read:

1302 627.311 Joint underwriters and joint reinsurers; public  
1303 records and public meetings exemptions.—

1304 (5)

1305 (h) Any premium or assessments collected by the plan in

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1306 excess of the amount necessary to fund projected ultimate  
1307 incurred losses and expenses of the plan and not paid to  
1308 insureds of the plan in conjunction with loss prevention or  
1309 dividend programs shall be retained by the plan for future use.  
1310 Any state funds received by the plan in excess of the amount  
1311 necessary to fund deficits in subplan D or any tier shall be  
1312 returned to the state. Any dividend payable to a former insured  
1313 of the plan may be retained by the plan for future use upon such  
1314 terms as set forth in the declaration of dividend.

1315 Section 34. Subsection (9) of section 627.3518, Florida  
1316 Statutes, is amended to read:

1317 627.3518 Citizens Property Insurance Corporation  
1318 policyholder eligibility clearinghouse program.—The purpose of  
1319 this section is to provide a framework for the corporation to  
1320 implement a clearinghouse program by January 1, 2014.

1321 (9) The 45-day notice of nonrenewal requirement set forth  
1322 in s. 627.4133(2)(b)5. ~~627.4133(2)(b)4.b.~~ applies when a policy  
1323 is nonrenewed by the corporation because the risk has received  
1324 an offer of coverage pursuant to this section which renders the  
1325 risk ineligible for coverage by the corporation.

1326 Section 35. Section 627.3519, Florida Statutes, is  
1327 repealed.

1328 Section 36. Section 627.409, Florida Statutes, is amended  
1329 to read:

1330 627.409 Representations in applications; warranties.—

1331 (1) Any statement or description made by or on behalf of an  
1332 insured or annuitant in an application for an insurance policy  
1333 or annuity contract, or in negotiations for a policy or  
1334 contract, is a representation and ~~is~~ not a warranty. Except as

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1335 provided in subsection (3), a misrepresentation, omission,  
1336 concealment of fact, or incorrect statement may prevent recovery  
1337 under the contract or policy only if any of the following apply:

1338 (a) The misrepresentation, omission, concealment, or  
1339 statement is fraudulent or is material ~~either~~ to the acceptance  
1340 of the risk or to the hazard assumed by the insurer.

1341 (b) If the true facts had been known to the insurer  
1342 pursuant to a policy requirement or other requirement, the  
1343 insurer in good faith would not have issued the policy or  
1344 contract, would not have issued it at the same premium rate,  
1345 would not have issued a policy or contract in as large an  
1346 amount, or would not have provided coverage with respect to the  
1347 hazard resulting in the loss.

1348 (2) A breach or violation by the insured of a any warranty,  
1349 condition, or provision of a any wet marine or transportation  
1350 insurance policy, contract of insurance, endorsement, or  
1351 application ~~therefor~~ does not void the policy or contract, or  
1352 constitute a defense to a loss thereon, unless such breach or  
1353 violation increased the hazard by any means within the control  
1354 of the insured.

1355 (3) For residential property insurance, if a policy or  
1356 contract is in effect for more than 90 days, a claim filed by  
1357 the insured may not be denied based on credit information  
1358 available in public records.

1359 Section 37. Paragraph (b) of subsection (2) of section  
1360 627.4133, Florida Statutes, is amended to read:

1361 627.4133 Notice of cancellation, nonrenewal, or renewal  
1362 premium.—

1363 (2) With respect to a any personal lines or commercial

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1364 residential property insurance policy, including ~~a, but not~~  
1365 ~~limited to, any homeowner's, mobile home owner's, farmowner's,~~  
1366 condominium association, condominium unit owner's, apartment  
1367 building, or other policy covering a residential structure or  
1368 its contents:

1369 (b) The insurer shall give the first-named insured written  
1370 notice of nonrenewal, cancellation, or termination at least 120  
1371 ~~100~~ days before the effective date of the nonrenewal,  
1372 cancellation, or termination. ~~However, the insurer shall give at~~  
1373 ~~least 100 days' written notice, or written notice by June 1,~~  
1374 ~~whichever is earlier, for any nonrenewal, cancellation, or~~  
1375 ~~termination that would be effective between June 1 and November~~  
1376 ~~30.~~ The notice must include the reason or reasons for the  
1377 nonrenewal, cancellation, or termination, except that:

1378 1. ~~The insurer shall give the first-named insured written~~  
1379 ~~notice of nonrenewal, cancellation, or termination at least 120~~  
1380 ~~days prior to the effective date of the nonrenewal,~~  
1381 ~~cancellation, or termination for a first-named insured whose~~  
1382 ~~residential structure has been insured by that insurer or an~~  
1383 ~~affiliated insurer for at least a 5-year period immediately~~  
1384 ~~prior to the date of the written notice.~~

1385 1.2. If cancellation is for nonpayment of premium, at least  
1386 10 days' written notice of cancellation accompanied by the  
1387 reason therefor must be given. As used in this subparagraph, the  
1388 term "nonpayment of premium" means failure of the named insured  
1389 to discharge when due her or his obligations for paying the  
1390 premium in connection with the payment of premiums on a policy  
1391 or an ~~any~~ installment of such premium, whether the premium is  
1392 payable directly to the insurer or its agent or indirectly under



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1393 any premium finance plan or extension of credit, or failure to  
1394 maintain membership in an organization if such membership is a  
1395 condition precedent to insurance coverage. The term also means  
1396 the failure of a financial institution to honor an insurance  
1397 applicant's check after delivery to a licensed agent for payment  
1398 of a premium, even if the agent has previously delivered or  
1399 transferred the premium to the insurer. If a dishonored check  
1400 represents the initial premium payment, the contract and all  
1401 contractual obligations are void ab initio unless the nonpayment  
1402 is cured within the earlier of 5 days after actual notice by  
1403 certified mail is received by the applicant or 15 days after  
1404 notice is sent to the applicant by certified mail or registered  
1405 mail, ~~and~~ If the contract is void, any premium received by the  
1406 insurer from a third party must be refunded to that party in  
1407 full.

1408 ~~2.3.~~ If ~~such~~ cancellation or termination occurs during the  
1409 first 90 days the insurance is in force and the insurance is  
1410 canceled or terminated for reasons other than nonpayment of  
1411 premium, at least 20 days' written notice of cancellation or  
1412 termination accompanied by the reason therefor must be given  
1413 unless there has been a material misstatement or  
1414 misrepresentation or failure to comply with the underwriting  
1415 requirements established by the insurer.

1416 3. After the policy has been in effect for 90 days, the  
1417 insurer may not cancel the policy unless there has been a  
1418 material misstatement, a nonpayment of premium, a failure to  
1419 comply with underwriting requirements established by the insurer  
1420 within 90 days after the date of effectuation of coverage, or a  
1421 substantial change in the risk covered by the policy or the

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1422 cancellation is for all insureds under such policies for a class  
1423 of insureds. This subparagraph does not apply to individually  
1424 rated risks having a policy term of less than 90 days.

1425 4. After a policy or contract has been in effect for 90  
1426 days, the insurer may not cancel or terminate the policy or  
1427 contract based on credit information available in public  
1428 records. The requirement for providing written notice by June 1  
1429 of any nonrenewal that would be effective between June 1 and  
1430 November 30 does not apply to the following situations, but the  
1431 insurer remains subject to the requirement to provide such  
1432 notice at least 100 days before the effective date of  
1433 nonrenewal:

1434 a. A policy that is nonrenewed due to a revision in the  
1435 coverage for sinkhole losses and catastrophic ground cover  
1436 collapse pursuant to s. 627.706.

1437 5.b. A policy that is nonrenewed by Citizens Property  
1438 Insurance Corporation, pursuant to s. 627.351(6), for a policy  
1439 that has been assumed by an authorized insurer offering  
1440 replacement coverage to the policyholder is exempt from the  
1441 notice requirements of paragraph (a) and this paragraph. In such  
1442 cases, the corporation must give the named insured written  
1443 notice of nonrenewal at least 45 days before the effective date  
1444 of the nonrenewal.

1445  
1446 ~~After the policy has been in effect for 90 days, the policy may~~  
1447 ~~not be canceled by the insurer unless there has been a material~~  
1448 ~~misstatement, a nonpayment of premium, a failure to comply with~~  
1449 ~~underwriting requirements established by the insurer within 90~~  
1450 ~~days after the date of effectuation of coverage, or a~~

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1451 ~~substantial change in the risk covered by the policy or if the~~  
1452 ~~cancellation is for all insureds under such policies for a given~~  
1453 ~~class of insureds. This paragraph does not apply to individually~~  
1454 ~~rated risks having a policy term of less than 90 days.~~

1455 ~~6.5.~~ Notwithstanding any other ~~provision of law,~~ an insurer  
1456 may cancel or nonrenew a property insurance policy after at  
1457 least 45 days' notice if the office finds that the early  
1458 cancellation of some or all of the insurer's policies is  
1459 necessary to protect the best interests of the public or  
1460 policyholders and the office approves the insurer's plan for  
1461 early cancellation or nonrenewal of some or all of its policies.  
1462 The office may base such finding upon the financial condition of  
1463 the insurer, lack of adequate reinsurance coverage for hurricane  
1464 risk, or other relevant factors. The office may condition its  
1465 finding on the consent of the insurer to be placed under  
1466 administrative supervision pursuant to s. 624.81 or to the  
1467 appointment of a receiver under chapter 631.

1468 ~~7.6.~~ A policy covering both a home and a motor vehicle may  
1469 be nonrenewed for any reason applicable to ~~either~~ the property  
1470 or motor vehicle insurance after providing 90 days' notice.

1471 Section 38. Subsection (1) of section 627.4137, Florida  
1472 Statutes, is amended to read:

1473 627.4137 Disclosure of certain information required.—

1474 (1) Each insurer that provides ~~which does~~ or may provide  
1475 liability insurance coverage to pay all or a portion of a ~~any~~  
1476 claim that ~~which~~ might be made shall ~~provide,~~ within 30 days  
1477 after ~~of~~ the written request of the claimant, provide a  
1478 statement, under oath, of a corporate officer or the insurer's  
1479 claims manager, ~~or~~ superintendent, or licensed company adjuster

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1480 setting forth the following information with regard to each  
1481 known policy of insurance, including excess or umbrella  
1482 insurance:

1483 (a) The name of the insurer.

1484 (b) The name of each insured.

1485 (c) The limits of the liability coverage.

1486 (d) A statement of any policy or coverage defense that the  
1487 ~~which such~~ insurer reasonably believes is available to the such  
1488 insurer at the time of filing such statement.

1489 (e) A copy of the policy.

1490

1491 ~~In addition,~~ The insured, or her or his insurance agent, upon  
1492 written request of the claimant or the claimant's attorney,  
1493 shall also disclose the name and coverage of each known insurer  
1494 to the claimant and ~~shall~~ forward the such request for  
1495 information ~~as~~ required by this subsection to all affected  
1496 insurers. The insurer shall ~~then~~ supply the required information  
1497 ~~required in this subsection~~ to the claimant within 30 days after  
1498 ~~of~~ receipt of such request.

1499 Section 39. Subsection (1) of section 627.421, Florida  
1500 Statutes, is amended to read:

1501 627.421 Delivery of policy.—

1502 (1) Subject to the insurer's requirement as to payment of  
1503 premium, every policy shall be mailed, delivered, or  
1504 electronically transmitted to the insured or to the person  
1505 entitled thereto within ~~not later than~~ 60 days after the  
1506 effectuation of coverage. Notwithstanding any other provision of  
1507 law, an insurer may allow a policyholder of personal lines  
1508 insurance to affirmatively elect delivery of the policy

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1509 documents, including policies, endorsements, notices, or other  
1510 documents, by electronic means in lieu of delivery by mail.  
1511 Electronic transmission of a policy for commercial risks,  
1512 including, but not limited to, workers' compensation and  
1513 employers' liability, commercial automobile liability,  
1514 commercial automobile physical damage, commercial lines  
1515 residential property, commercial nonresidential property, farm  
1516 owners' insurance, and the types of commercial lines risks set  
1517 forth in s. 627.062(3)(d), constitute ~~shall constitute~~ delivery  
1518 to the insured or to the person entitled to delivery, unless the  
1519 insured or the person entitled to delivery communicates to the  
1520 insurer in writing or electronically that he or she does not  
1521 agree to delivery by electronic means. Electronic transmission  
1522 must ~~shall~~ include a notice to the insured or to the person  
1523 entitled to delivery of a policy of his or her right to receive  
1524 the policy via United States mail rather than via electronic  
1525 transmission. A paper copy of the policy shall be provided to  
1526 the insured or to the person entitled to delivery at his or her  
1527 request.

1528 Section 40. Subsection (2) of section 627.43141, Florida  
1529 Statutes, is amended to read:

1530 627.43141 Notice of change in policy terms.—

1531 (2) A renewal policy may contain a change in policy terms.  
1532 If a renewal policy contains ~~does contain~~ such change, the  
1533 insurer must give the named insured written notice of the  
1534 change, which may ~~must~~ be enclosed along with the written notice  
1535 of renewal premium required by ss. 627.4133 and 627.728 or be  
1536 sent in a separate notice that complies with the nonrenewal  
1537 mailing time requirement for that particular line of business.

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1538 The insurer must also provide a sample copy of the notice to the  
1539 insured's insurance agent before or at the same time that notice  
1540 is given to the insured. Such notice shall be entitled "Notice  
1541 of Change in Policy Terms."

1542 Section 41. Section 627.4553, Florida Statutes, is created  
1543 to read:

1544 627.4553 Recommendations to surrender.—If an insurance  
1545 agent recommends the surrender of an annuity or life insurance  
1546 policy containing a cash value and is not recommending that the  
1547 proceeds from the surrender be used to fund or purchase another  
1548 annuity or life insurance policy, before execution of the  
1549 surrender, the insurance agent, or the insurance company if no  
1550 agent is involved, shall provide, on a form adopted by rule by  
1551 the department, information concerning the annuity or policy to  
1552 be surrendered, including the amount of any surrender charge,  
1553 the loss of any minimum interest rate guarantees, the amount of  
1554 any tax consequences resulting from the surrender, the amount of  
1555 any forfeited death benefit, and the value of any other  
1556 investment performance guarantees being forfeited as a result of  
1557 the surrender. This section also applies to a person performing  
1558 insurance agent activities pursuant to an exemption from  
1559 licensure under this part.

1560 Section 42. Paragraph (b) of subsection (4) of section  
1561 627.7015, Florida Statutes, is amended to read:

1562 627.7015 Alternative procedure for resolution of disputed  
1563 property insurance claims.—

1564 (4) The department shall adopt by rule a property insurance  
1565 mediation program to be administered by the department or its  
1566 designee. The department may also adopt special rules which are

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1567 applicable in cases of an emergency within the state. The rules  
1568 shall be modeled after practices and procedures set forth in  
1569 mediation rules of procedure adopted by the Supreme Court. The  
1570 rules must ~~shall~~ provide for:

1571 (b) Qualifications, denial of application, suspension,  
1572 revocation of approval, and other penalties for ~~of~~ mediators as  
1573 provided in s. 627.745 and in the Florida Rules for ~~of~~ Certified  
1574 and Court-Appointed ~~Court Appointed~~ Mediators, ~~and for such~~  
1575 ~~other individuals as are qualified by education, training, or~~  
1576 ~~experience as the department determines to be appropriate.~~

1577 Section 43. Section 627.70151, Florida Statutes, is created  
1578 to read:

1579 627.70151 Appraisal; conflicts of interest.—An insurer that  
1580 offers residential coverage, as defined in s. 627.4025, or a  
1581 policyholder that uses an appraisal clause in the property  
1582 insurance contract to establish a process for estimating or  
1583 evaluating the amount of the loss through the use of an  
1584 impartial umpire may challenge the umpire's impartiality and  
1585 disqualify the proposed umpire only if:

1586 (1) A familial relationship within the third degree exists  
1587 between the umpire and a party or a representative of a party;

1588 (2) The umpire has previously represented a party or a  
1589 representative of a party in a professional capacity in the same  
1590 or a substantially related matter;

1591 (3) The umpire has represented another person in a  
1592 professional capacity on the same or a substantially related  
1593 matter, which includes the claim, same property, or an adjacent  
1594 property and that other person's interests are materially  
1595 adverse to the interests of any party; or

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1596       (4) The umpire has worked as an employer or employee of a  
1597 party within the preceding 5 years.

1598       Section 44. Paragraph (c) of subsection (2) of section  
1599 627.706, Florida Statutes, is amended to read:

1600       627.706 Sinkhole insurance; catastrophic ground cover  
1601 collapse; definitions.—

1602       (2) As used in ss. 627.706-627.7074, and as used in  
1603 connection with any policy providing coverage for a catastrophic  
1604 ground cover collapse or for sinkhole losses, the term:

1605       (c) "Neutral evaluator" means a professional engineer or a  
1606 professional geologist who has completed a course of study in  
1607 alternative dispute resolution designed or approved by the  
1608 department for use in the neutral evaluation process, ~~and~~ who is  
1609 determined by the department to be fair and impartial, and who  
1610 is not otherwise ineligible for certification as provided in s.  
1611 627.7074.

1612       Section 45. Subsections (3), (7), and (18) of section  
1613 627.7074, Florida Statutes, are amended to read:

1614       627.7074 Alternative procedure for resolution of disputed  
1615 sinkhole insurance claims.—

1616       (3) Following the receipt of the report required ~~provided~~  
1617 under s. 627.7073 or the denial of a claim for a sinkhole loss,  
1618 the insurer shall notify the policyholder of his or her right to  
1619 participate in the neutral evaluation program under this section  
1620 if coverage is available under the policy and the claim was  
1621 submitted within the timeframe provided in s. 627.706(5).

1622       Neutral evaluation supersedes the alternative dispute resolution  
1623 process under s. 627.7015 but does not invalidate the appraisal  
1624 clause of the insurance policy. The insurer shall provide to the



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1625 policyholder the consumer information pamphlet prepared by the  
1626 department pursuant to subsection (1) electronically or by  
1627 United States mail.

1628 (7) Upon receipt of a request for neutral evaluation, the  
1629 department shall provide the parties a list of certified neutral  
1630 evaluators. The department shall allow the parties to submit  
1631 requests for disqualifying ~~to disqualify~~ evaluators on the list  
1632 for cause.

1633 (a) The department shall disqualify neutral evaluators for  
1634 cause based only on any of the following grounds:

1635 1. A familial relationship exists between the neutral  
1636 evaluator and either party or a representative of either party  
1637 within the third degree.

1638 2. The proposed neutral evaluator has, in a professional  
1639 capacity, previously represented either party or a  
1640 representative of either party, in the same or a substantially  
1641 related matter.

1642 3. The proposed neutral evaluator has, in a professional  
1643 capacity, represented another person in the same or a  
1644 substantially related matter and that person's interests are  
1645 materially adverse to the interests of the parties. The term  
1646 "substantially related matter" means participation by the  
1647 neutral evaluator on the same claim, property, or adjacent  
1648 property.

1649 4. The proposed neutral evaluator has, within the preceding  
1650 5 years, worked as an employer or employee of a ~~any~~ party to the  
1651 case.

1652 (b) The department shall deny an application, or suspend or  
1653 revoke the certification, of a neutral evaluator to serve in the

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1654 neutral evaluator capacity if the department finds that one or  
1655 more of the following grounds exist:

1656 1. Lack of one or more of the qualifications for  
1657 certification specified in this section.

1658 2. Material misstatement, misrepresentation, or fraud in  
1659 obtaining or attempting to obtain the certification.

1660 3. Demonstrated lack of fitness or trustworthiness to act  
1661 as a neutral evaluator.

1662 4. Fraudulent or dishonest practices in the conduct of an  
1663 evaluation or in the conduct of business in the financial  
1664 services industry.

1665 5. Violation of any provision of this code or of a lawful  
1666 order or rule of the department or aiding, instructing, or  
1667 encouraging another party to commit such violation.

1668 (c)~~(b)~~ The parties shall appoint a neutral evaluator from  
1669 the department list and promptly inform the department. If the  
1670 parties cannot agree to a neutral evaluator within 14 business  
1671 days, the department shall appoint a neutral evaluator from the  
1672 list of certified neutral evaluators. The department shall allow  
1673 each party to disqualify two neutral evaluators without cause.  
1674 Upon selection or appointment, the department shall promptly  
1675 refer the request to the neutral evaluator.

1676 (d)~~(e)~~ Within 14 business days after the referral, the  
1677 neutral evaluator shall notify the policyholder and the insurer  
1678 of the date, time, and place of the neutral evaluation  
1679 conference. The conference may be held by telephone, if feasible  
1680 and desirable. The neutral evaluator shall make reasonable  
1681 efforts to hold the conference within 90 days after the receipt  
1682 of the request by the department. Failure of the neutral

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1683 evaluator to hold the conference within 90 days does not  
1684 invalidate either party's right to neutral evaluation or to a  
1685 neutral evaluation conference held outside this timeframe.

1686 (18) The department shall adopt rules of procedure for the  
1687 neutral evaluation process and for certifying, denying or  
1688 suspending the certification of, and revoking certification as,  
1689 a neutral evaluator.

1690 Section 46. Subsection (8) of section 627.711, Florida  
1691 Statutes, is amended to read:

1692 627.711 Notice of premium discounts for hurricane loss  
1693 mitigation; uniform mitigation verification inspection form.—

1694 (8) At its expense, the insurer may require that a uniform  
1695 mitigation verification form provided by a policyholder, a  
1696 policyholder's agent, or an authorized mitigation inspector or  
1697 inspection company be independently verified by an inspector, an  
1698 inspection company, or an independent third-party quality  
1699 assurance provider that ~~which~~ possesses a quality assurance  
1700 program before accepting the uniform mitigation verification  
1701 form as valid. The insurer may exempt from additional  
1702 independent verification any uniform mitigation verification  
1703 form provided by a policyholder, a policyholder's agent, an  
1704 authorized mitigation inspector, or an inspection company that  
1705 possesses a quality assurance program that meets the standards  
1706 established by the insurer. A uniform mitigation verification  
1707 form provided by a policyholder, a policyholder's agent, an  
1708 authorized mitigation inspector, or an inspection company to  
1709 Citizens Property Insurance Corporation is not subject to  
1710 additional verification, and the property is not subject to  
1711 reinspection by the corporation, absent material changes to the

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1712 structure for the term stated on the form if the form signed by  
1713 a qualified inspector was submitted to, reviewed, and verified  
1714 by a quality assurance program approved by the corporation  
1715 before submission to the corporation.

1716 Section 47. Subsections (1), (2), and (3) of section  
1717 627.7283, Florida Statutes, are amended to read:

1718 627.7283 Cancellation; return of premium.—

1719 (1) If the insured cancels a policy of motor vehicle  
1720 insurance, the insurer must mail or electronically transfer the  
1721 unearned portion of any premium paid within 30 days after the  
1722 effective date of the policy cancellation or receipt of notice  
1723 or request for cancellation, whichever is later. This  
1724 requirement applies to a cancellation initiated by an insured  
1725 for any reason.

1726 (2) If an insurer cancels a policy of motor vehicle  
1727 insurance, the insurer must mail or electronically transfer the  
1728 unearned premium portion of any premium within 15 days after the  
1729 effective date of the policy cancellation.

1730 (3) If the unearned premium is not mailed or electronically  
1731 transferred within the applicable period, the insurer must pay  
1732 to the insured 8 percent interest on the amount due. If the  
1733 unearned premium is not mailed or electronically transferred  
1734 within 45 days after the applicable period, the insured may  
1735 bring an action against the insurer pursuant to s. 624.155.

1736 Section 48. Paragraph (a) of subsection (5) of section  
1737 627.736, Florida Statutes, is amended to read:

1738 627.736 Required personal injury protection benefits;  
1739 exclusions; priority; claims.—

1740 (5) CHARGES FOR TREATMENT OF INJURED PERSONS.—

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1741 (a) A physician, hospital, clinic, or other person or  
1742 institution lawfully rendering treatment to an injured person  
1743 for a bodily injury covered by personal injury protection  
1744 insurance may charge the insurer and injured party only a  
1745 reasonable amount pursuant to this section for the services and  
1746 supplies rendered, and the insurer providing such coverage may  
1747 directly pay ~~for~~ such charges ~~directly~~ to the ~~such~~ person or  
1748 institution lawfully rendering ~~such~~ treatment if the insured  
1749 receiving such treatment or his or her guardian has  
1750 countersigned the properly completed invoice, bill, or claim  
1751 form approved by the office upon which such charges are to be  
1752 paid ~~for~~ as having actually been rendered, to the best knowledge  
1753 of the insured or his or her guardian. However, such a charge  
1754 may not exceed the amount the person or institution customarily  
1755 charges for like services or supplies. In determining whether a  
1756 charge for a particular service, treatment, or otherwise is  
1757 reasonable, consideration may be given to evidence of usual and  
1758 customary charges and payments accepted by the provider involved  
1759 in the dispute, reimbursement levels in the community and  
1760 various federal and state medical fee schedules applicable to  
1761 motor vehicle and other insurance coverages, and other  
1762 information relevant to the reasonableness of the reimbursement  
1763 ~~for the service, treatment, or supply.~~

1764 1. The insurer may limit reimbursement to 80 percent of the  
1765 following schedule of maximum charges:

1766 a. For emergency transport and treatment by providers  
1767 licensed under chapter 401, 200 percent of Medicare.

1768 b. For emergency services and care provided by a hospital  
1769 licensed under chapter 395, 75 percent of the hospital's usual

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1770 and customary charges.

1771 c. For emergency services and care as defined by s. 395.002  
1772 provided in a facility licensed under chapter 395 rendered by a  
1773 physician or dentist, and related hospital inpatient services  
1774 rendered by a physician or dentist, the usual and customary  
1775 charges in the community.

1776 d. For hospital inpatient services, other than emergency  
1777 services and care, 200 percent of the Medicare Part A  
1778 prospective payment applicable to the specific hospital  
1779 providing the inpatient services.

1780 e. For hospital outpatient services, other than emergency  
1781 services and care, 200 percent of the Medicare Part A Ambulatory  
1782 Payment Classification for the specific hospital providing the  
1783 outpatient services.

1784 f. For all other medical services, supplies, and care, 200  
1785 percent of the allowable amount under:

1786 (I) The participating physicians fee schedule of Medicare  
1787 Part B, except as provided in sub-sub-subparagraphs (II) and  
1788 (III).

1789 (II) Medicare Part B, in the case of services, supplies,  
1790 and care provided by ambulatory surgical centers and clinical  
1791 laboratories.

1792 (III) The Durable Medical Equipment Prosthetics/Orthotics  
1793 and Supplies fee schedule of Medicare Part B, in the case of  
1794 durable medical equipment.

1795

1796 However, if such services, supplies, or care is not reimbursable  
1797 under Medicare Part B, as provided in this sub-subparagraph, the  
1798 insurer may limit reimbursement to 80 percent of the maximum

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1799 reimbursable allowance under workers' compensation, as  
1800 determined under s. 440.13 and rules adopted thereunder which  
1801 are in effect at the time such services, supplies, or care is  
1802 provided. Services, supplies, or care that is not reimbursable  
1803 under Medicare or workers' compensation is not required to be  
1804 reimbursed by the insurer.

1805       2. For purposes of subparagraph 1., the applicable fee  
1806 schedule or payment limitation under Medicare is the fee  
1807 schedule or payment limitation in effect on March 1 of the year  
1808 in which the services, supplies, or care is rendered and for the  
1809 area in which such services, supplies, or care is rendered, and  
1810 the applicable fee schedule or payment limitation applies from  
1811 March 1 until the last day of February ~~throughout the remainder~~  
1812 ~~of the following~~ that year, notwithstanding any subsequent  
1813 change made to the fee schedule or payment limitation, except  
1814 that it may not be less than the allowable amount under the  
1815 applicable schedule of Medicare Part B for 2007 for medical  
1816 services, supplies, and care subject to Medicare Part B.

1817       3. Subparagraph 1. does not allow the insurer to apply a  
1818 ~~any~~ limitation on the number of treatments or other utilization  
1819 limits that apply under Medicare or workers' compensation. An  
1820 insurer that applies the allowable payment limitations of  
1821 subparagraph 1. must reimburse a provider who lawfully provided  
1822 care or treatment under the scope of his or her license,  
1823 regardless of whether such provider is entitled to reimbursement  
1824 under Medicare due to restrictions or limitations on the types  
1825 or discipline of health care providers who may be reimbursed for  
1826 particular procedures or procedure codes. However, subparagraph  
1827 1. does not prohibit an insurer from using the Medicare coding

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1828 policies and payment methodologies of the federal Centers for  
1829 Medicare and Medicaid Services, including applicable modifiers,  
1830 to determine the appropriate amount of reimbursement for medical  
1831 services, supplies, or care if the coding policy or payment  
1832 methodology does not constitute a utilization limit.

1833 4. If an insurer limits payment as authorized by  
1834 subparagraph 1., the person providing such services, supplies,  
1835 or care may not bill or attempt to collect from the insured any  
1836 amount in excess of such limits, except for amounts that are not  
1837 covered by the insured's personal injury protection coverage due  
1838 to the coinsurance amount or maximum policy limits.

1839 5. ~~Effective July 1, 2012,~~ An insurer may limit payment as  
1840 authorized by this paragraph only if the insurance policy  
1841 includes a notice at the time of issuance or renewal that the  
1842 insurer may limit payment pursuant to the schedule of charges  
1843 specified in this paragraph. A policy form approved by the  
1844 office satisfies this requirement. If a provider submits a  
1845 charge for an amount less than the amount allowed under  
1846 subparagraph 1., the insurer may pay the amount of the charge  
1847 submitted.

1848 Section 49. Subsection (1) and paragraphs (a) and (b) of  
1849 subsection (2) of section 627.744, Florida Statutes, are amended  
1850 to read:

1851 627.744 Required preinsurance inspection of private  
1852 passenger motor vehicles.—

1853 (1) A private passenger motor vehicle insurance policy  
1854 providing physical damage coverage, including collision or  
1855 comprehensive coverage, may not be issued in this state unless  
1856 the insurer has inspected the motor vehicle in accordance with



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1857 this section. Physical damage coverage on a motor vehicle may  
1858 not be suspended during the term of the policy due to the  
1859 applicant's failure to provide required documents. However,  
1860 payment of a claim may be conditioned upon the insurer's receipt  
1861 of the required documents, and physical damage loss occurring  
1862 after the effective date of coverage is not payable until the  
1863 documents are provided to the insurer.

1864 (2) This section does not apply:

1865 (a) To a policy for a policyholder who has been insured for  
1866 2 years or longer, without interruption, under a private  
1867 passenger motor vehicle policy that ~~which~~ provides physical  
1868 damage coverage for any vehicle, if the agent of the insurer  
1869 verifies the previous coverage.

1870 (b) To a new, unused motor vehicle purchased or leased from  
1871 a licensed motor vehicle dealer or leasing company, if the  
1872 insurer is provided with:

1873 1. A bill of sale, ~~or~~ buyer's order, or lease agreement  
1874 that ~~which~~ contains a full description of the motor vehicle,  
1875 ~~including all options and accessories; or~~

1876 2. A copy of the title or registration that ~~which~~  
1877 establishes transfer of ownership from the dealer or leasing  
1878 company to the customer and a copy of the window sticker ~~or the~~  
1879 ~~dealer invoice showing the itemized options and equipment and~~  
1880 ~~the total retail price of the vehicle.~~

1881  
1882 ~~For the purposes of this paragraph, the physical damage coverage~~  
1883 ~~on the motor vehicle may not be suspended during the term of the~~  
1884 ~~policy due to the applicant's failure to provide the required~~  
1885 ~~documents. However, payment of a claim is conditioned upon the~~

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1886 ~~receipt by the insurer of the required documents, and no~~  
1887 ~~physical damage loss occurring after the effective date of the~~  
1888 ~~coverage is payable until the documents are provided to the~~  
1889 ~~insurer.~~

1890 Section 50. Paragraph (b) of subsection (3) of section  
1891 627.745, Florida Statutes, is amended, present subsections (4)  
1892 and (5) of that section are redesignated as subsections (5) and  
1893 (6), respectively, and a new subsection (4) is added to that  
1894 section, to read:

1895 627.745 Mediation of claims.—

1896 (3)

1897 (b) To qualify for approval as a mediator, an individual a  
1898 ~~person~~ must meet one of the following qualifications:

1899 1. Possess an active certification as a Florida Supreme  
1900 Court certified circuit court mediator. A circuit court mediator  
1901 whose certification is in a lapsed, suspended, or decertified  
1902 status is not eligible to participate in the program a masters  
1903 or doctorate degree in psychology, counseling, business,  
1904 accounting, or economics, be a member of The Florida Bar, be  
1905 licensed as a certified public accountant, or demonstrate that  
1906 the applicant for approval has been actively engaged as a  
1907 qualified mediator for at least 4 years prior to July 1, 1990.

1908 2. Be an approved department mediator as of July 1, 2014,  
1909 and have conducted at least one mediation on behalf of the  
1910 department within the 4 years immediately preceding that the  
1911 date the application for approval is filed with the department,  
1912 have completed a minimum of a 40-hour training program approved  
1913 by the department and successfully passed a final examination  
1914 included in the training program and approved by the department.

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1915 ~~The training program shall include and address all of the~~  
1916 ~~following:~~

1917 ~~a. Mediation theory.~~

1918 ~~b. Mediation process and techniques.~~

1919 ~~c. Standards of conduct for mediators.~~

1920 ~~d. Conflict management and intervention skills.~~

1921 ~~e. Insurance nomenclature.~~

1922 (4) The department shall deny an application, or suspend or  
1923 revoke its approval of a mediator or certification of a neutral  
1924 evaluator to serve in such capacity, if the department finds  
1925 that any of the following grounds exist:

1926 (a) Lack of one or more of the qualifications for approval  
1927 or certification specified in this section.

1928 (b) Material misstatement, misrepresentation, or fraud in  
1929 obtaining, or attempting to obtain, the approval or  
1930 certification.

1931 (c) Demonstrated lack of fitness or trustworthiness to act  
1932 as a mediator or neutral evaluator.

1933 (d) Fraudulent or dishonest practices in the conduct of  
1934 mediation or neutral evaluation or in the conduct of business in  
1935 the financial services industry.

1936 (e) Violation of any provision of this code or of a lawful  
1937 order or rule of the department, violation of the Florida Rules  
1938 of Certified and Court Appointed Mediators, or aiding,  
1939 instructing, or encouraging another party in committing such a  
1940 violation.

1941  
1942 The department may adopt rules to administer this subsection.

1943 Section 51. Subsection (8) of section 627.782, Florida

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1944 Statutes, is amended to read:

1945 627.782 Adoption of rates.—

1946 (8) Each title insurance agency and insurer licensed to do  
1947 business in this state and each insurer's direct or retail  
1948 business in this state shall maintain and submit information,  
1949 including revenue, loss, and expense data, as the office  
1950 determines necessary to assist in the analysis of title  
1951 insurance premium rates, title search costs, and the condition  
1952 of the title insurance industry in this state. This information  
1953 must be transmitted to the office annually by May ~~March~~ 31 of  
1954 the year after the reporting year. The commission shall adopt  
1955 rules regarding the collection and analysis of the data from the  
1956 title insurance industry.

1957 Section 52. Subsections (1), (3), (10), and (12) of section  
1958 628.461, Florida Statutes, are amended to read:

1959 628.461 Acquisition of controlling stock.—

1960 (1) A person may not, individually or in conjunction with  
1961 an ~~any~~ affiliated person of such person, acquire directly or  
1962 indirectly, conclude a tender offer or exchange offer for, enter  
1963 into any agreement to exchange securities for, or otherwise  
1964 finally acquire 10 ~~5~~ percent or more of the outstanding voting  
1965 securities of a domestic stock insurer or of a controlling  
1966 company, unless:

1967 (a) The person or affiliated person has filed with the  
1968 office and sent to the insurer and controlling company a letter  
1969 of notification regarding the transaction or proposed  
1970 transaction within ~~no later than~~ 5 days after any form of tender  
1971 offer or exchange offer is proposed, or within ~~no later than~~ 5  
1972 days after the acquisition of the securities if no tender offer

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1973 or exchange offer is involved. The notification must be provided  
 1974 on forms prescribed by the commission containing information  
 1975 determined necessary to understand the transaction and identify  
 1976 all purchasers and owners involved;

1977 (b) The person or affiliated person has filed with the  
 1978 office a statement as specified in subsection (3). The statement  
 1979 must be completed and filed within 30 days after:

- 1980 1. Any definitive acquisition agreement is entered;
- 1981 2. Any form of tender offer or exchange offer is proposed;

1982 or

1983 3. The acquisition of the securities, if no definitive  
 1984 acquisition agreement, tender offer, or exchange offer is  
 1985 involved; and

1986 (c) The office has approved the tender or exchange offer,  
 1987 or acquisition if no tender offer or exchange offer is involved,  
 1988 and approval is in effect.

1989  
 1990 ~~In lieu of a filing as required under this subsection, a party~~  
 1991 ~~acquiring less than 10 percent of the outstanding voting~~  
 1992 ~~securities of an insurer may file a disclaimer of affiliation~~  
 1993 ~~and control. The disclaimer shall fully disclose all material~~  
 1994 ~~relationships and basis for affiliation between the person and~~  
 1995 ~~the insurer as well as the basis for disclaiming the affiliation~~  
 1996 ~~and control. After a disclaimer has been filed, the insurer~~  
 1997 ~~shall be relieved of any duty to register or report under this~~  
 1998 ~~section which may arise out of the insurer's relationship with~~  
 1999 ~~the person unless and until the office disallows the disclaimer.~~  
 2000 ~~The office shall disallow a disclaimer only after furnishing all~~  
 2001 ~~parties in interest with notice and opportunity to be heard and~~

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2002 ~~after making specific findings of fact to support the~~  
2003 ~~disallowance.~~ A filing as required under this subsection must be  
2004 made as to any acquisition that equals or exceeds 10 percent of  
2005 the outstanding voting securities.

2006 (3) The statement to be filed with the office under  
2007 subsection (1) and furnished to the insurer and controlling  
2008 company must ~~shall~~ contain the following information and any  
2009 additional information ~~as~~ the office deems necessary to  
2010 determine the character, experience, ability, and other  
2011 qualifications of the person or affiliated person of such person  
2012 for the protection of the policyholders and shareholders of the  
2013 insurer and the public:

2014 (a) The identity of, and the background information  
2015 specified in subsection (4) on, each natural person by whom, or  
2016 on whose behalf, the acquisition is to be made; and, if the  
2017 acquisition is to be made by, or on behalf of, a corporation,  
2018 association, or trust, as to the corporation, association, or  
2019 trust and as to any person who ~~controls either~~ directly or  
2020 indirectly controls the corporation, association, or trust, the  
2021 identity of, and the background information specified in  
2022 subsection (4) on, each director, officer, trustee, or other  
2023 natural person performing duties similar to those of a director,  
2024 officer, or trustee for the corporation, association, or trust;

2025 (b) The source and amount of the funds or other  
2026 consideration used, or to be used, in making the acquisition;

2027 (c) Any plans or proposals that ~~which~~ such persons may have  
2028 made to liquidate such insurer, to sell any of its assets or  
2029 merge or consolidate it with any person, or to make any other  
2030 major change in its business or corporate structure or

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2031 management; and any plans or proposals that which such persons  
2032 may have made to liquidate any controlling company of such  
2033 insurer, to sell any of its assets or merge or consolidate it  
2034 with any person, or to make any other major change in its  
2035 business or corporate structure or management;

2036 (d) The number of shares or other securities which the  
2037 person or affiliated person of such person proposes to acquire,  
2038 the terms of the proposed acquisition, and the manner in which  
2039 the securities are to be acquired; and

2040 (e) Information as to any contract, arrangement, or  
2041 understanding with any party with respect to any of the  
2042 securities of the insurer or controlling company, including, but  
2043 not limited to, information relating to the transfer of any of  
2044 the securities, option arrangements, puts or calls, or the  
2045 giving or withholding of proxies, which information names the  
2046 party with whom the contract, arrangement, or understanding has  
2047 been entered into and gives the details thereof.

2048 (10) Upon notification to the office by the domestic stock  
2049 insurer or a controlling company that any person or any  
2050 affiliated person of such person has acquired 10 ~~5~~ percent or  
2051 more of the outstanding voting securities of the domestic stock  
2052 insurer or controlling company without complying with ~~the~~  
2053 ~~provisions of~~ this section, the office shall order that the  
2054 person and any affiliated person of such person cease  
2055 acquisition of any further securities of the domestic stock  
2056 insurer or controlling company; however, the person or any  
2057 affiliated person of such person may request a proceeding, which  
2058 ~~proceeding~~ shall be convened within 7 days after the rendering  
2059 of the order for the sole purpose of determining whether the

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2060 person, individually or in connection with an ~~any~~ affiliated  
2061 person of such person, has acquired 10 ~~5~~ percent or more of the  
2062 outstanding voting securities of a domestic stock insurer or  
2063 controlling company. Upon the failure of the person or  
2064 affiliated person to request a hearing within 7 days, or upon a  
2065 determination at a hearing convened pursuant to this subsection  
2066 that the person or affiliated person has acquired voting  
2067 securities of a domestic stock insurer or controlling company in  
2068 violation of this section, the office may order the person and  
2069 affiliated person to divest themselves of any voting securities  
2070 so acquired.

2071 (12) ~~(a)~~ A presumption of control may be rebutted by filing  
2072 a disclaimer of control. A person may file a disclaimer of  
2073 control with the office. The disclaimer must fully disclose all  
2074 material relationships and bases for affiliation between the  
2075 person and the insurer as well as the basis for disclaiming the  
2076 affiliation. The disclaimer of control shall be filed on a form  
2077 prescribed by the office, or a person or acquiring party may  
2078 file with the office a copy of a Schedule 13G on file with the  
2079 Securities and Exchange Commission pursuant to Rule 13d-1(b) or  
2080 Rule 13d-1(c) under the Securities Exchange Act of 1934, as  
2081 amended. After a disclaimer is filed, the insurer is relieved of  
2082 any duty to register or report under this section which may  
2083 arise out of the insurer's relationship with the person, unless  
2084 the office disallows the disclaimer. ~~For the purpose of this~~  
2085 section, the term "affiliated person" of another person means:  
2086 1. ~~The spouse of such other person;~~  
2087 2. ~~The parents of such other person and their lineal~~  
2088 descendants and the parents of such other person's spouse and



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2089 ~~their lineal descendants;~~

2090 ~~3. Any person who directly or indirectly owns or controls,~~  
2091 ~~or holds with power to vote, 5 percent or more of the~~  
2092 ~~outstanding voting securities of such other person;~~

2093 ~~4. Any person 5 percent or more of the outstanding voting~~  
2094 ~~securities of which are directly or indirectly owned or~~  
2095 ~~controlled, or held with power to vote, by such other person;~~

2096 ~~5. Any person or group of persons who directly or~~  
2097 ~~indirectly control, are controlled by, or are under common~~  
2098 ~~control with such other person;~~

2099 ~~6. Any officer, director, partner, copartner, or employee~~  
2100 ~~of such other person;~~

2101 ~~7. If such other person is an investment company, any~~  
2102 ~~investment adviser of such company or any member of an advisory~~  
2103 ~~board of such company;~~

2104 ~~8. If such other person is an unincorporated investment~~  
2105 ~~company not having a board of directors, the depositor of such~~  
2106 ~~company; or~~

2107 ~~9. Any person who has entered into an agreement, written or~~  
2108 ~~unwritten, to act in concert with such other person in acquiring~~  
2109 ~~or limiting the disposition of securities of a domestic stock~~  
2110 ~~insurer or controlling company.~~

2111 ~~(b) For the purposes of this section, the term "controlling~~  
2112 ~~company" means any corporation, trust, or association owning,~~  
2113 ~~directly or indirectly, 25 percent or more of the voting~~  
2114 ~~securities of one or more domestic stock insurance companies.~~

2115 Section 53. Subsection (11) of section 631.717, Florida  
2116 Statutes, is amended to read:

2117 631.717 Powers and duties of the association.—

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2118           (11) The association is ~~shall~~ not be liable for any civil  
2119 action under s. 624.155 arising from any acts alleged to have  
2120 been committed by a member insurer before ~~prior to~~ its  
2121 liquidation. ~~This subsection does not affect the association's~~  
2122 ~~obligation to pay valid insurance policy or contract claims if~~  
2123 ~~warranted after its independent de novo review of the policies,~~  
2124 ~~contracts, and claims presented to it, whether domestic or~~  
2125 ~~foreign, after a Florida domestic rehabilitation or a~~  
2126 ~~liquidation.~~

2127           Section 54. Section 631.737, Florida Statutes, is amended  
2128 to read:

2129           631.737 Rescission and review generally.—The association  
2130 shall review claims and matters regarding covered policies based  
2131 upon the record available to it on and after the date of  
2132 liquidation. Notwithstanding any other provision of this part,  
2133 in order to allow for orderly claims administration by the  
2134 association, entry of a liquidation order by a court of  
2135 competent jurisdiction ~~tolls~~ shall be deemed to toll for 1 year  
2136 any rescission or noncontestable period allowed by the contract,  
2137 the policy, or by law. The association's obligation is to pay  
2138 any valid insurance policy or contract claims, if warranted,  
2139 after its independent de novo review of the policies, contracts,  
2140 and claims presented to it, whether domestic or foreign, after a  
2141 rehabilitation or a liquidation.

2142           Section 55. Subsections (6) and (7) of section 634.406,  
2143 Florida Statutes, are amended to read:

2144           634.406 Financial requirements.—

2145           (6) An association that ~~which~~ holds a license under this  
2146 part ~~and which does not hold any other license under this~~

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2147 ~~chapter~~ may allow its premiums for service warranties written  
2148 under this part to exceed the ratio to net assets limitations of  
2149 this section if the association meets all of the following  
2150 conditions:

2151 (a) Maintains net assets of at least \$750,000.

2152 (b) Uses ~~Utilizes~~ a contractual liability insurance policy  
2153 approved by the office that: ~~which~~

2154 1. Reimburses the service warranty association for 100  
2155 percent of its claims liability and is issued by an insurer that  
2156 maintains a policyholder surplus of at least \$100 million; or

2157 2. Complies with subsection (3) and is issued by an insurer  
2158 that maintains a policyholder surplus of at least \$200 million.

2159 (c) The insurer issuing the contractual liability insurance  
2160 policy:

2161 ~~1. Maintains a policyholder surplus of at least \$100~~  
2162 ~~million.~~

2163 ~~1.2.~~ Is rated "A" or higher by A.M. Best Company or an  
2164 equivalent rating by another national rating service acceptable  
2165 to the office.

2166 ~~3. Is in no way affiliated with the warranty association.~~

2167 ~~2.4.~~ In conjunction with the warranty association's filing  
2168 of the quarterly and annual reports, provides, on a form  
2169 prescribed by the commission, a statement certifying the gross  
2170 written premiums in force reported by the warranty association  
2171 and a statement that all of the warranty association's gross  
2172 written premium in force is covered under the contractual  
2173 liability policy, regardless of whether ~~or not~~ it has been  
2174 reported.

2175 ~~(7) A contractual liability policy must insure 100 percent~~

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2176 ~~of an association's claims exposure under all of the~~  
2177 ~~association's service warranty contracts, wherever written,~~  
2178 ~~unless all of the following are satisfied:~~

2179 ~~(a) The contractual liability policy contains a clause that~~  
2180 ~~specifically names the service warranty contract holders as sole~~  
2181 ~~beneficiaries of the contractual liability policy and claims are~~  
2182 ~~paid directly to the person making a claim under the contract;~~

2183 ~~(b) The contractual liability policy meets all other~~  
2184 ~~requirements of this part, including subsection (3) of this~~  
2185 ~~section, which are not inconsistent with this subsection;~~

2186 ~~(c) The association has been in existence for at least 5~~  
2187 ~~years or the association is a wholly owned subsidiary of a~~  
2188 ~~corporation that has been in existence and has been licensed as~~  
2189 ~~a service warranty association in the state for at least 5~~  
2190 ~~years, and:~~

2191 ~~1. Is listed and traded on a recognized stock exchange; is~~  
2192 ~~listed in NASDAQ (National Association of Security Dealers~~  
2193 ~~Automated Quotation system) and publicly traded in the over the~~  
2194 ~~counter securities market; is required to file either of Form~~  
2195 ~~10-K, Form 100, or Form 20-G with the United States Securities~~  
2196 ~~and Exchange Commission; or has American Depository Receipts~~  
2197 ~~listed on a recognized stock exchange and publicly traded or is~~  
2198 ~~the wholly owned subsidiary of a corporation that is listed and~~  
2199 ~~traded on a recognized stock exchange; is listed in NASDAQ~~  
2200 ~~(National Association of Security Dealers Automated Quotation~~  
2201 ~~system) and publicly traded in the over the counter securities~~  
2202 ~~market; is required to file Form 10-K, Form 100, or Form 20-G~~  
2203 ~~with the United States Securities and Exchange Commission; or~~  
2204 ~~has American Depository Receipts listed on a recognized stock~~

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2205 ~~exchange and is publicly traded;~~

2206 ~~2. Maintains outstanding debt obligations, if any, rated in~~  
2207 ~~the top four rating categories by a recognized rating service;~~

2208 ~~3. Has and maintains at all times a minimum net worth of~~  
2209 ~~not less than \$10 million as evidenced by audited financial~~  
2210 ~~statements prepared by an independent certified public~~  
2211 ~~accountant in accordance with generally accepted accounting~~  
2212 ~~principles and submitted to the office annually; and~~

2213 ~~4. Is authorized to do business in this state; and~~

2214 ~~(d) The insurer issuing the contractual liability policy:~~

2215 ~~1. Maintains and has maintained for the preceding 5 years,~~  
2216 ~~policyholder surplus of at least \$100 million and is rated "A"~~  
2217 ~~or higher by A.M. Best Company or has an equivalent rating by~~  
2218 ~~another rating company acceptable to the office;~~

2219 ~~2. Holds a certificate of authority to do business in this~~  
2220 ~~state and is approved to write this type of coverage; and~~

2221 ~~3. Acknowledges to the office quarterly that it insures all~~  
2222 ~~of the association's claims exposure under contracts delivered~~  
2223 ~~in this state.~~

2224  
2225 ~~If all the preceding conditions are satisfied, then the scope of~~  
2226 ~~coverage under a contractual liability policy shall not be~~  
2227 ~~required to exceed an association's claims exposure under~~  
2228 ~~service warranty contracts delivered in this state.~~

2229 ~~Section 56. Except as otherwise expressly provided in this~~  
2230 ~~act, this act shall take effect July 1, 2014.~~