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576-03721-15

Proposed Committee Substitute by the Committee on Appropriations  
(Appropriations Subcommittee on General Government)

A bill to be entitled

An act relating to the organization of the Department of Financial Services; amending s. 20.121, F.S.; revising the divisions and functions of the department; authorizing the Chief Financial Officer to establish divisions, bureaus, or offices of the department; amending s. 110.205, F.S.; exempting certain positions within the department's Division of Accounting and Auditing from career service requirements; amending s. 624.26, F.S.; conforming provisions to changes made by the act; amending s. 624.307, F.S.; providing powers and duties of the department's Division of Consumer Services; authorizing the division to impose certain penalties; authorizing the department to adopt rules relating to the division; providing for construction; amending s. 624.502, F.S.; requiring that certain service of process fees be deposited into the Administrative Trust Fund; amending ss. 16.59, 400.9935, 409.91212, 440.105, 440.1051, 440.12, 624.521, 626.016, 626.989, 626.9891, 626.9892, 626.9893, 626.9894, 626.9895, 626.99278, 627.351, 627.711, 627.736, 627.7401, 631.156, 641.30, and 932.7055, F.S.; conforming provisions to changes made by the act; making technical changes; providing an effective date.

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



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Section 1. Subsections (2) and (6) of section 20.121, Florida Statutes, are amended to read:

20.121 Department of Financial Services.—There is created a Department of Financial Services.

(2) DIVISIONS.—The Department of Financial Services shall consist of the following divisions and offices:

(a) The Division of Accounting and Auditing, ~~which shall include the following bureau and office:~~

1. ~~The Bureau of Unclaimed Property.~~

2. ~~The Office of Fiscal Integrity which shall function as a criminal justice agency for purposes of ss. 943.045-943.08 and shall have a separate budget. The office may conduct investigations within or outside this state as the bureau deems necessary to aid in the enforcement of this section. If during an investigation the office has reason to believe that any criminal law of this state has or may have been violated, the office shall refer any records tending to show such violation to state or federal law enforcement or prosecutorial agencies and shall provide investigative assistance to those agencies as required.~~

(b) The Division of State Fire Marshal.

(c) The Division of Risk Management.

(d) The Division of Treasury, which shall include a Bureau of Deferred Compensation responsible for administering the Government Employees Deferred Compensation Plan established under s. 112.215 for state employees.

(e) The Division of Criminal Investigations, which shall function as a criminal justice agency for purposes of ss.



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57 943.045-943.08 Insurance Fraud.

58 (f) The Division of Rehabilitation and Liquidation.

59 (g) The Division of Insurance Agent and Agency Services.

60 (h) The Division of Consumer Services.

61 ~~1. The Division of Consumer Services shall perform the~~  
62 ~~following functions concerning products or services regulated by~~  
63 ~~the department or by the Office of Insurance Regulation:~~

64 ~~a. Receive inquiries and complaints from consumers.~~

65 ~~b. Prepare and disseminate such information as the~~  
66 ~~department deems appropriate to inform or assist consumers.~~

67 ~~e. Provide direct assistance and advocacy for consumers who~~  
68 ~~request such assistance or advocacy.~~

69 ~~d. With respect to apparent or potential violations of law~~  
70 ~~or applicable rules by a person or entity licensed by the~~  
71 ~~department or office, report apparent or potential violations to~~  
72 ~~the office or the appropriate division of the department, which~~  
73 ~~may take such further action as it deems appropriate.~~

74 ~~e. Designate an employee of the division as primary contact~~  
75 ~~for consumers on issues relating to sinkholes.~~

76 ~~2. Any person licensed or issued a certificate of authority~~  
77 ~~by the department or by the Office of Insurance Regulation shall~~  
78 ~~respond, in writing, to the Division of Consumer Services within~~  
79 ~~20 days after receipt of a written request for information from~~  
80 ~~the division concerning a consumer complaint. The response must~~  
81 ~~address the issues and allegations raised in the complaint. The~~  
82 ~~division may impose an administrative penalty for failure to~~  
83 ~~comply with this subparagraph of up to \$2,500 per violation upon~~  
84 ~~any entity licensed by the department or the office and \$250 for~~  
85 ~~the first violation, \$500 for the second violation, and up to~~



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86 ~~\$1,000 per violation thereafter upon any individual licensed by~~  
87 ~~the department or the office.~~

88 ~~3. The department may adopt rules to administer this~~  
89 ~~paragraph.~~

90 ~~4. The powers, duties, and responsibilities expressed or~~  
91 ~~granted in this paragraph do not limit the powers, duties, and~~  
92 ~~responsibilities of the Department of Financial Services, the~~  
93 ~~Financial Services Commission, the Office of Insurance~~  
94 ~~Regulation, or the Office of Financial Regulation set forth~~  
95 ~~elsewhere in the Florida Statutes.~~

96 (i) The Division of Workers' Compensation.

97 ~~(j) The Division of Administration.~~

98 ~~(k) The Division of Legal Services.~~

99 ~~(l) The Division of Information Systems.~~

100 ~~(j)(m) The Office of Insurance Consumer Advocate.~~

101 ~~(k)(n) The Division of Funeral, Cemetery, and Consumer~~  
102 ~~Services.~~

103 ~~(l)(o) The Division of Public Assistance Fraud.~~

104  
105 The Chief Financial Officer may establish any other division,  
106 bureau, or office of the department that he or she deems  
107 necessary to promote the efficient and effective operation of  
108 the department pursuant to s. 20.04.

109 ~~(6) STRATEGIC MARKETS RESEARCH AND ASSESSMENT UNIT. The~~  
110 ~~Strategic Markets Research and Assessment Unit is established~~  
111 ~~within the Department of Financial Services. The Chief Financial~~  
112 ~~Officer or his or her designee shall report on September 1,~~  
113 ~~2008, and quarterly thereafter, to the Cabinet, the President of~~  
114 ~~the Senate, and the Speaker of the House of Representatives on~~



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115 ~~the status of the state's financial services markets. At a~~  
116 ~~minimum, the report must include a summary of issues, trends,~~  
117 ~~and threats that broadly impact the condition of the financial~~  
118 ~~services industries, along with the effect of such conditions on~~  
119 ~~financial institutions, the securities industries, other~~  
120 ~~financial entities, and the credit market. The Chief Financial~~  
121 ~~Officer shall also provide findings and recommendations~~  
122 ~~regarding regulatory and policy changes to the Cabinet, the~~  
123 ~~President of the Senate, and the Speaker of the House of~~  
124 ~~Representatives.~~

125 Section 2. Paragraph (y) is added to subsection (2) of  
126 section 110.205, Florida Statutes, to read:

127 110.205 Career service; exemptions.—

128 (2) EXEMPT POSITIONS.—The exempt positions that are not  
129 covered by this part include the following:

130 (y) Positions in the Division of Accounting and Auditing of  
131 the Department of Financial Services which are directly  
132 responsible for performing investigations, audits, or management  
133 studies for the purpose of making recommendations for corrective  
134 action, such as an employee disciplinary action, a civil  
135 recovery action, a criminal prosecution, or a revision of agency  
136 operational procedures.

137 Section 3. Subsection (4) of section 624.26, Florida  
138 Statutes, is amended to read:

139 624.26 Collaborative arrangement with the Department of  
140 Health and Human Services.—

141 (4) The department's Division of Consumer Services may  
142 respond to complaints by consumers relating to a requirement of  
143 PPACA ~~as authorized under s. 20.121(2)(h),~~ and report apparent



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144 or potential violations to the office and to the federal  
145 Department of Health and Human Services.

146 Section 4. Subsection (10) is added to section 624.307,  
147 Florida Statutes, to read:

148 624.307 General powers; duties.—

149 (10) (a) The department's Division of Consumer Services  
150 shall perform the following functions concerning products or  
151 services regulated by the department or office:

152 1. Receive inquiries and complaints from consumers.

153 2. Prepare and disseminate such information as the  
154 department deems appropriate to inform or assist consumers.

155 3. Provide direct assistance and advocacy for consumers who  
156 request such assistance or advocacy.

157 4. With respect to apparent or potential violations of law  
158 or applicable rules by a person or entity licensed by the  
159 department or office, report apparent or potential violations to  
160 the office or the appropriate division of the department, which  
161 may take such further action as it deems appropriate.

162 5. Designate an employee of the division as primary contact  
163 for consumers on issues relating to sinkholes.

164 (b) Any person licensed or issued a certificate of  
165 authority by the department or the office shall respond, in  
166 writing, to the division within 20 days after receipt of a  
167 written request for information from the division concerning a  
168 consumer complaint. The response must address the issues and  
169 allegations raised in the complaint. The division may impose an  
170 administrative penalty for failure to comply with this paragraph  
171 of up to \$2,500 per violation upon any entity licensed by the  
172 department or the office and \$250 for the first violation, \$500



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173 for the second violation, and up to \$1,000 per violation  
174 thereafter upon any individual licensed by the department or the  
175 office.

176 (c) The department may adopt rules to administer this  
177 subsection.

178 (d) The powers, duties, and responsibilities expressed or  
179 granted in this subsection do not limit the powers, duties, and  
180 responsibilities of the Department of Financial Services, the  
181 Financial Services Commission, the Office of Insurance  
182 Regulation, or the Office of Financial Regulation as otherwise  
183 provided by law.

184 Section 5. Section 624.502, Florida Statutes, as amended by  
185 chapter 2014-53, Laws of Florida, is amended to read:

186 624.502 Service of process fee.—In all instances as  
187 provided in any section of the insurance code and s. 48.151(3)  
188 in which service of process is authorized to be made upon the  
189 Chief Financial Officer or the director of the office, the  
190 plaintiff shall pay to the department or office a fee of \$15 for  
191 such service of process, which fee shall be deposited into the  
192 Administrative Trust Fund ~~Insurance Regulatory Trust Fund~~.

193 Section 6. Section 16.59, Florida Statutes, is amended to  
194 read:

195 16.59 Medicaid fraud control.—The Medicaid Fraud Control  
196 Unit is created in the Department of Legal Affairs to  
197 investigate all violations of s. 409.920 and any criminal  
198 violations discovered during the course of those investigations.  
199 The Medicaid Fraud Control Unit may refer any criminal violation  
200 so uncovered to the appropriate prosecuting authority. The  
201 offices of the Medicaid Fraud Control Unit, the Agency for



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202 Health Care Administration Medicaid program integrity program,  
203 and the Divisions of Criminal Investigations ~~Insurance Fraud~~ and  
204 Public Assistance Fraud within the Department of Financial  
205 Services shall, to the extent possible, be collocated; however,  
206 positions dedicated to Medicaid managed care fraud within the  
207 Medicaid Fraud Control Unit shall be collocated with the  
208 Division of Criminal Investigations ~~Insurance Fraud~~. The Agency  
209 for Health Care Administration, the Department of Legal Affairs,  
210 and the Divisions of Criminal Investigations ~~Insurance Fraud~~ and  
211 Public Assistance Fraud within the Department of Financial  
212 Services shall conduct joint training and other joint activities  
213 designed to increase communication and coordination in  
214 recovering overpayments.

215 Section 7. Subsection (9) of section 400.9935, Florida  
216 Statutes, is amended to read:

217 400.9935 Clinic responsibilities.—

218 (9) In addition to the requirements of part II of chapter  
219 408, the clinic shall display a sign in a conspicuous location  
220 within the clinic readily visible to all patients indicating  
221 that, pursuant to s. 626.9892, the Department of Financial  
222 Services may pay rewards of up to \$25,000 to persons providing  
223 information leading to the arrest and conviction of persons  
224 committing crimes investigated by the Division of Criminal  
225 Investigations ~~Insurance Fraud~~ arising from violations of s.  
226 440.105, s. 624.15, s. 626.9541, s. 626.989, or s. 817.234. An  
227 authorized employee of the Division of Criminal Investigations  
228 ~~Insurance Fraud~~ may make unannounced inspections of a clinic  
229 licensed under this part as necessary to determine whether the  
230 clinic is in compliance with this subsection. A licensed clinic





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231 shall allow full and complete access to the premises to such  
232 authorized employee of the division who makes an inspection to  
233 determine compliance with this subsection.

234 Section 8. Subsection (6) of section 409.91212, Florida  
235 Statutes, is amended to read:

236 409.91212 Medicaid managed care fraud.—

237 (6) Each managed care plan shall report all suspected or  
238 confirmed instances of provider or recipient fraud or abuse  
239 within 15 calendar days after detection to the Office of  
240 Medicaid Program Integrity within the agency. At a minimum the  
241 report must contain the name of the provider or recipient, the  
242 Medicaid billing number or tax identification number, and a  
243 description of the fraudulent or abusive act. The Office of  
244 Medicaid Program Integrity in the agency shall forward the  
245 report of suspected overpayment, abuse, or fraud to the  
246 appropriate investigative unit, including, but not limited to,  
247 the Bureau of Medicaid program integrity, the Medicaid fraud  
248 control unit, the Division of Public Assistance Fraud, the  
249 Division of Criminal Investigations ~~Insurance Fraud~~, or the  
250 Department of Law Enforcement.

251 (a) Failure to timely report shall result in an  
252 administrative fine of \$1,000 per calendar day after the 15th  
253 day of detection.

254 (b) Failure to timely report may result in additional  
255 administrative, civil, or criminal penalties.

256 Section 9. Paragraph (a) of subsection (1) of section  
257 440.105, Florida Statutes, is amended to read:

258 440.105 Prohibited activities; reports; penalties;  
259 limitations.—



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260 (1) (a) Any insurance carrier, any individual self-insured,  
261 any commercial or group self-insurance fund, any professional  
262 practitioner licensed or regulated by the Department of Health,  
263 except as otherwise provided by law, any medical review  
264 committee as defined in s. 766.101, any private medical review  
265 committee, and any insurer, agent, or other person licensed  
266 under the insurance code, or any employee thereof, having  
267 knowledge or who believes that a fraudulent act or any other act  
268 or practice which, upon conviction, constitutes a felony or  
269 misdemeanor under this chapter is being or has been committed  
270 shall send to the Division of Criminal Investigations Insurance  
271 ~~Fraud~~, Bureau of Workers' Compensation Fraud, a report or  
272 information pertinent to such knowledge or belief and such  
273 additional information relative thereto as the bureau may  
274 require. The bureau shall review such information or reports and  
275 select such information or reports as, in its judgment, may  
276 require further investigation. It shall then cause an  
277 independent examination of the facts surrounding such  
278 information or report to be made to determine the extent, if  
279 any, to which a fraudulent act or any other act or practice  
280 which, upon conviction, constitutes a felony or a misdemeanor  
281 under this chapter is being committed. The bureau shall report  
282 any alleged violations of law which its investigations disclose  
283 to the appropriate licensing agency and state attorney or other  
284 prosecuting agency having jurisdiction with respect to any such  
285 violations of this chapter. If prosecution by the state attorney  
286 or other prosecuting agency having jurisdiction with respect to  
287 such violation is not begun within 60 days of the bureau's  
288 report, the state attorney or other prosecuting agency having



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289 jurisdiction with respect to such violation shall inform the  
290 bureau of the reasons for the lack of prosecution.

291 Section 10. Subsections (1) and (2) of section 440.1051,  
292 Florida Statutes, are amended to read

293 440.1051 Fraud reports; civil immunity; criminal  
294 penalties.—

295 (1) The Bureau of Workers' Compensation Insurance Fraud of  
296 the Division of Criminal Investigations ~~Insurance Fraud~~ of the  
297 department shall establish a toll-free telephone number to  
298 receive reports of workers' compensation fraud committed by an  
299 employee, employer, insurance provider, physician, attorney, or  
300 other person.

301 (2) Any person who reports workers' compensation fraud to  
302 the Division of Criminal Investigations ~~Insurance Fraud~~ under  
303 subsection (1) is immune from civil liability for doing so, and  
304 the person or entity alleged to have committed the fraud may not  
305 retaliate against him or her for providing such report, unless  
306 the person making the report knows it to be false.

307 Section 11. Paragraph (c) of subsection (1) of section  
308 440.12, Florida Statutes, is amended to read:

309 440.12 Time for commencement and limits on weekly rate of  
310 compensation.—

311 (1) Compensation is not allowed for the first 7 days of  
312 the disability, except for benefits provided under s. 440.13.  
313 However, if the injury results in more than 21 days of  
314 disability, compensation is allowed from the commencement of the  
315 disability.

316 (c) Each carrier shall keep a record of all payments made  
317 under this subsection, including the time and manner of such



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318 payments, and shall furnish these records or a report based on  
319 these records to the Division of Criminal Investigations  
320 ~~Insurance Fraud~~ and the Division of Workers' Compensation, upon  
321 request.

322 Section 12. Subsection (1) of section 624.521, Florida  
323 Statutes, is amended to read:

324 624.521 Deposit of certain tax receipts; refund of improper  
325 payments.—

326 (1) The department ~~of Financial Services~~ shall promptly  
327 deposit in the State Treasury to the credit of the Insurance  
328 Regulatory Trust Fund all "state tax" portions of agents'  
329 licenses collected under s. 624.501 necessary to fund the  
330 Division of Criminal Investigations ~~Insurance Fraud~~. The balance  
331 of the tax shall be credited to the General Fund. All moneys  
332 received by the department ~~of Financial Services~~ or the office  
333 not in accordance with the provisions of this code or not in the  
334 exact amount as specified by the applicable provisions of this  
335 code shall be returned to the remitter. The records of the  
336 department or office shall show the date and reason for such  
337 return.

338 Section 13. Subsection (4) of section 626.016, Florida  
339 Statutes, is amended to read:

340 626.016 Powers and duties of department, commission, and  
341 office.—

342 (4) Nothing in this section is intended to limit the  
343 authority of the department and the Division of Criminal  
344 Investigations ~~Insurance Fraud~~, as specified in s. 626.989.

345 Section 14. Subsections (2) and (6) of section 626.989,  
346 Florida Statutes, are amended to read:



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347           626.989 Investigation by department or Division of Criminal  
348 Investigations ~~Insurance Fraud~~; compliance; immunity;  
349 confidential information; reports to division; division  
350 investigator's power of arrest.—

351           (2) If, by its own inquiries or as a result of complaints,  
352 the department or its Division of Criminal Investigations  
353 ~~Insurance Fraud~~ has reason to believe that a person has engaged  
354 in, or is engaging in, a fraudulent insurance act, an act or  
355 practice that violates s. 626.9541 or s. 817.234, or an act or  
356 practice punishable under s. 624.15, it may administer oaths and  
357 affirmations, request the attendance of witnesses or proffering  
358 of matter, and collect evidence. The department shall not compel  
359 the attendance of any person or matter in any such investigation  
360 except pursuant to subsection (4).

361           (6) Any person, other than an insurer, agent, or other  
362 person licensed under the code, or an employee thereof, having  
363 knowledge or who believes that a fraudulent insurance act or any  
364 other act or practice which, upon conviction, constitutes a  
365 felony or a misdemeanor under the code, or under s. 817.234, is  
366 being or has been committed may send to the Division of Criminal  
367 Investigations ~~Insurance Fraud~~ a report or information pertinent  
368 to such knowledge or belief and such additional information  
369 relative thereto as the department may request. Any professional  
370 practitioner licensed or regulated by the Department of Business  
371 and Professional Regulation, except as otherwise provided by  
372 law, any medical review committee as defined in s. 766.101, any  
373 private medical review committee, and any insurer, agent, or  
374 other person licensed under the code, or an employee thereof,  
375 having knowledge or who believes that a fraudulent insurance act



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376 or any other act or practice which, upon conviction, constitutes  
377 a felony or a misdemeanor under the code, or under s. 817.234,  
378 is being or has been committed shall send to the Division of  
379 Criminal Investigations ~~Insurance-Fraud~~ a report or information  
380 pertinent to such knowledge or belief and such additional  
381 information relative thereto as the department may require. The  
382 Division of Criminal Investigations ~~Insurance-Fraud~~ shall review  
383 such information or reports and select such information or  
384 reports as, in its judgment, may require further investigation.  
385 It shall then cause an independent examination of the facts  
386 surrounding such information or report to be made to determine  
387 the extent, if any, to which a fraudulent insurance act or any  
388 other act or practice which, upon conviction, constitutes a  
389 felony or a misdemeanor under the code, or under s. 817.234, is  
390 being committed. The Division of Criminal Investigations  
391 ~~Insurance-Fraud~~ shall report any alleged violations of law which  
392 its investigations disclose to the appropriate licensing agency  
393 and state attorney or other prosecuting agency having  
394 jurisdiction with respect to any such violation, as provided in  
395 s. 624.310. If prosecution by the state attorney or other  
396 prosecuting agency having jurisdiction with respect to such  
397 violation is not begun within 60 days of the division's report,  
398 the state attorney or other prosecuting agency having  
399 jurisdiction with respect to such violation shall inform the  
400 division of the reasons for the lack of prosecution.

401 Section 15. Subsections (1), (2), and (3) of section  
402 626.9891, Florida Statutes, are amended to read:

403 626.9891 Insurer anti-fraud investigative units; reporting  
404 requirements; penalties for noncompliance.-



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405 (1) Each ~~Every~~ insurer admitted to do business in this  
406 state who in the previous calendar year, at any time during that  
407 year, had \$10 million or more in direct premiums written shall:

408 (a) Establish and maintain a unit or division within the  
409 company to investigate possible fraudulent claims by insureds or  
410 by persons making claims for services or repairs against  
411 policies held by insureds; or

412 (b) Contract with others to investigate possible fraudulent  
413 claims for services or repairs against policies held by  
414 insureds.

415  
416 An insurer subject to this subsection shall file with the  
417 Division of Criminal Investigations ~~Insurance Fraud~~ of the  
418 department on or before July 1, 1996, a detailed description of  
419 the unit or division established pursuant to paragraph (a) or a  
420 copy of the contract and related documents required by paragraph  
421 (b).

422 (2) Every insurer admitted to do business in this state,  
423 which in the previous calendar year had less than \$10 million in  
424 direct premiums written, must adopt an anti-fraud plan and file  
425 it with the Division of Criminal Investigations ~~Insurance Fraud~~  
426 of the department on or before July 1, 1996. An insurer may, in  
427 lieu of adopting and filing an anti-fraud plan, comply with ~~the~~  
428 ~~provisions of~~ subsection (1).

429 (3) Each insurer's ~~insurers~~ anti-fraud plan must ~~plans~~  
430 ~~shall~~ include all of the following:

431 (a) A description of the insurer's procedures for detecting  
432 and investigating possible fraudulent insurance acts. ~~+~~

433 (b) A description of the insurer's procedures for the



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434 mandatory reporting of possible fraudulent insurance acts to the  
435 Division of Criminal Investigations ~~Insurance Fraud~~ of the  
436 department.†

437 (c) A description of the insurer's plan for anti-fraud  
438 education and training of its claims adjusters or other  
439 personnel.† ~~and~~

440 (d) A written description or chart outlining the  
441 organizational arrangement of the insurer's anti-fraud personnel  
442 who are responsible for the investigation and reporting of  
443 possible fraudulent insurance acts.

444 Section 16. Subsection (2) of section 626.9892, Florida  
445 Statutes, is amended to read:

446 626.9892 Anti-Fraud Reward Program; reporting of insurance  
447 fraud.—

448 (2) The department may pay rewards of up to \$25,000 to  
449 persons providing information leading to the arrest and  
450 conviction of persons committing crimes investigated by the  
451 Division of Criminal Investigations ~~Insurance Fraud~~ arising from  
452 violations of s. 440.105, s. 624.15, s. 626.9541, s. 626.989, or  
453 s. 817.234.

454 Section 17. Subsection (1) of section 626.9893, Florida  
455 Statutes, is amended to read:

456 626.9893 Disposition of revenues; criminal or forfeiture  
457 proceedings.—

458 (1) The Division of Criminal Investigations ~~Insurance Fraud~~  
459 of the Department of Financial Services may deposit revenues  
460 received as a result of criminal proceedings or forfeiture  
461 proceedings, other than revenues deposited into the Department  
462 of Financial Services' Federal Law Enforcement Trust Fund under





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463 s. 17.43, into the Insurance Regulatory Trust Fund. Moneys  
464 deposited pursuant to this section shall be separately accounted  
465 for and shall be used solely for the division to carry out its  
466 duties and responsibilities.

467 Section 18. Subsection (2) of section 626.9894, Florida  
468 Statutes, is amended to read:

469 626.9894 Gifts and grants.—

470 (2) All rights to, interest in, and title to such donated  
471 or granted property shall immediately vest in the Division of  
472 Criminal Investigations ~~Insurance Fraud~~ upon donation. The  
473 division may hold such property in coownership, sell its  
474 interest in the property, liquidate its interest in the  
475 property, or dispose of its interest in the property in any  
476 other reasonable manner.

477 Section 19. Paragraph (a) of subsection (1) of section  
478 626.9895, Florida Statutes, is amended to read:

479 626.9895 Motor vehicle insurance fraud direct-support  
480 organization.—

481 (1) DEFINITIONS.—As used in this section, the term:

482 (a) "Division" means the Division of Criminal  
483 Investigations ~~Insurance Fraud~~ of the Department of Financial  
484 Services.

485 Section 20. Section 626.99278, Florida Statutes, is amended  
486 to read:

487 626.99278 Viatical provider anti-fraud plan.—Every licensed  
488 viatical settlement provider and registered life expectancy  
489 provider must adopt an anti-fraud plan and file it with the  
490 Division of Criminal Investigations ~~Insurance Fraud~~ of the  
491 department. Each anti-fraud plan shall include:



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492 (1) A description of the procedures for detecting and  
493 investigating possible fraudulent acts and procedures for  
494 resolving material inconsistencies between medical records and  
495 insurance applications.

496 (2) A description of the procedures for the mandatory  
497 reporting of possible fraudulent insurance acts and prohibited  
498 practices set forth in s. 626.99275 to the Division of Criminal  
499 Investigations ~~Insurance Fraud~~ of the department.

500 (3) A description of the plan for anti-fraud education and  
501 training of its underwriters or other personnel.

502 (4) A written description or chart outlining the  
503 organizational arrangement of the anti-fraud personnel who are  
504 responsible for the investigation and reporting of possible  
505 fraudulent insurance acts and for the investigation of  
506 unresolved material inconsistencies between medical records and  
507 insurance applications.

508 (5) For viatical settlement providers, a description of the  
509 procedures used to perform initial and continuing review of the  
510 accuracy of life expectancies used in connection with a viatical  
511 settlement contract or viatical settlement investment.

512 Section 21. Paragraph (k) of subsection (6) of section  
513 627.351, Florida Statutes, is amended to read:

514 627.351 Insurance risk apportionment plans.—

515 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

516 (k)1. The corporation shall establish and maintain a unit  
517 or division to investigate possible fraudulent claims by  
518 insureds or by persons making claims for services or repairs  
519 against policies held by insureds; or it may contract with  
520 others to investigate possible fraudulent claims for services or



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521 repairs against policies held by the corporation pursuant to s.  
522 626.9891. The corporation must comply with reporting  
523 requirements of s. 626.9891. An employee of the corporation  
524 shall notify the corporation's Office of the Inspector General  
525 and the Division of Criminal Investigations ~~Insurance-Fraud~~  
526 within 48 hours after having information that would lead a  
527 reasonable person to suspect that fraud may have been committed  
528 by any employee of the corporation.

529 2. The corporation shall establish a unit or division  
530 responsible for receiving and responding to consumer complaints,  
531 which unit or division is the sole responsibility of a senior  
532 manager of the corporation.

533 Section 22. Subsections (4) and (7) of section 627.711,  
534 Florida Statutes, are amended to read:

535 627.711 Notice of premium discounts for hurricane loss  
536 mitigation; uniform mitigation verification inspection form.—

537 (4) An authorized mitigation inspector that signs a uniform  
538 mitigation form, and a direct employee authorized to conduct  
539 mitigation verification inspections under subsection ~~paragraph~~  
540 (3), may not commit misconduct in performing hurricane  
541 mitigation inspections or in completing a uniform mitigation  
542 form that causes financial harm to a customer or their insurer;  
543 or that jeopardizes a customer's health and safety. Misconduct  
544 occurs when an authorized mitigation inspector signs a uniform  
545 mitigation verification form that:

546 (a) Falsely indicates that he or she personally inspected  
547 the structures referenced by the form;

548 (b) Falsely indicates the existence of a feature which  
549 entitles an insured to a mitigation discount which the inspector



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550 knows does not exist or did not personally inspect;

551 (c) Contains erroneous information due to the gross  
552 negligence of the inspector; or

553 (d) Contains a pattern of demonstrably false information  
554 regarding the existence of mitigation features that could give  
555 an insured a false evaluation of the ability of the structure to  
556 withstand major damage from a hurricane endangering the safety  
557 of the insured's life and property.

558 (7) An insurer, person, or other entity that obtains  
559 evidence of fraud or evidence that an authorized mitigation  
560 inspector or an employee authorized to conduct mitigation  
561 verification inspections under subsection paragraph (3) has made  
562 false statements in the completion of a mitigation inspection  
563 form shall file a report with the Division of Criminal  
564 Investigations Insurance Fraud, along with all of the evidence  
565 in its possession that supports the allegation of fraud or  
566 falsity. An insurer, person, or other entity making the report  
567 shall be immune from liability, in accordance with s.  
568 626.989(4), for any statements made in the report, during the  
569 investigation, or in connection with the report. The Division of  
570 Criminal Investigations Insurance Fraud shall issue an  
571 investigative report if it finds that probable cause exists to  
572 believe that the authorized mitigation inspector, or an employee  
573 authorized to conduct mitigation verification inspections under  
574 subsection paragraph (3), made intentionally false or fraudulent  
575 statements in the inspection form. Upon conclusion of the  
576 investigation and a finding of probable cause that a violation  
577 has occurred, the Division of Criminal Investigations Insurance  
578 Fraud shall send a copy of the investigative report to the



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579 office and a copy to the agency responsible for the professional  
580 licensure of the authorized mitigation inspector, whether or not  
581 a prosecutor takes action based upon the report.

582 Section 23. Paragraph (i) of subsection (4) and subsection  
583 (14) of section 627.736, Florida Statutes, are amended to read:

584 627.736 Required personal injury protection benefits;  
585 exclusions; priority; claims.-

586 (4) PAYMENT OF BENEFITS.-Benefits due from an insurer under  
587 ss. 627.730-627.7405 are primary, except that benefits received  
588 under any workers' compensation law must be credited against the  
589 benefits provided by subsection (1) and are due and payable as  
590 loss accrues upon receipt of reasonable proof of such loss and  
591 the amount of expenses and loss incurred which are covered by  
592 the policy issued under ss. 627.730-627.7405. If the Agency for  
593 Health Care Administration provides, pays, or becomes liable for  
594 medical assistance under the Medicaid program related to injury,  
595 sickness, disease, or death arising out of the ownership,  
596 maintenance, or use of a motor vehicle, the benefits under ss.  
597 627.730-627.7405 are subject to the Medicaid program. However,  
598 within 30 days after receiving notice that the Medicaid program  
599 paid such benefits, the insurer shall repay the full amount of  
600 the benefits to the Medicaid program.

601 (i) If an insurer has a reasonable belief that a fraudulent  
602 insurance act, for the purposes of s. 626.989 or s. 817.234, has  
603 been committed, the insurer shall notify the claimant, in  
604 writing, within 30 days after submission of the claim that the  
605 claim is being investigated for suspected fraud. Beginning at  
606 the end of the initial 30-day period, the insurer has an  
607 additional 60 days to conduct its fraud investigation.



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608 Notwithstanding subsection (10), no later than 90 days after the  
609 submission of the claim, the insurer must deny the claim or pay  
610 the claim with simple interest as provided in paragraph (d).  
611 Interest shall be assessed from the day the claim was submitted  
612 until the day the claim is paid. All claims denied for suspected  
613 fraudulent insurance acts shall be reported to the Division of  
614 Criminal Investigations ~~Insurance Fraud~~.

615 (14) FRAUD ADVISORY NOTICE.—Upon receiving notice of a  
616 claim under this section, an insurer shall provide a notice to  
617 the insured or to a person for whom a claim for reimbursement  
618 for diagnosis or treatment of injuries has been filed, advising  
619 that:

620 (a) Pursuant to s. 626.9892, the Department of Financial  
621 Services may pay rewards of up to \$25,000 to persons providing  
622 information leading to the arrest and conviction of persons  
623 committing crimes investigated by the Division of Criminal  
624 Investigations ~~Insurance Fraud~~ arising from violations of s.  
625 440.105, s. 624.15, s. 626.9541, s. 626.989, or s. 817.234.

626 (b) Solicitation of a person injured in a motor vehicle  
627 crash for purposes of filing personal injury protection or tort  
628 claims could be a violation of s. 817.234, s. 817.505, or the  
629 rules regulating The Florida Bar and should be immediately  
630 reported to the Division of Criminal Investigations ~~Insurance~~  
631 ~~Fraud~~ if such conduct has taken place.

632 Section 24. Paragraphs (b) and (c) of subsection (1) of  
633 section 627.7401, Florida Statutes, are amended to read:

634 627.7401 Notification of insured's rights.—

635 (1) The commission, by rule, shall adopt a form for the  
636 notification of insureds of their right to receive personal



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637 injury protection benefits under the Florida Motor Vehicle No-  
638 Fault Law. Such notice shall include:

639 (b) An advisory informing insureds that:

640 1. Pursuant to s. 626.9892, the Department of Financial  
641 Services may pay rewards of up to \$25,000 to persons providing  
642 information leading to the arrest and conviction of persons  
643 committing crimes investigated by the Division of Criminal  
644 Investigations Insurance Fraud arising from violations of s.  
645 440.105, s. 624.15, s. 626.9541, s. 626.989, or s. 817.234.

646 2. Pursuant to s. 627.736(5)(e)1., if the insured notifies  
647 the insurer of a billing error, the insured may be entitled to a  
648 certain percentage of a reduction in the amount paid by the  
649 insured's motor vehicle insurer.

650 (c) A notice that solicitation of a person injured in a  
651 motor vehicle crash for purposes of filing personal injury  
652 protection or tort claims could be a violation of s. 817.234, s  
653 817.505, or the rules regulating The Florida Bar and should be  
654 immediately reported to the Division of Criminal Investigations  
655 Insurance Fraud if such conduct has taken place.

656 Section 25. Subsection (2) of section 631.156, Florida  
657 Statutes, is amended to read:

658 631.156 Investigation by the department; scope of  
659 authority; sharing of materials.-

660 (2) The department may provide documents, books, and  
661 records; other investigative products, work product, and  
662 analysis; and copies of any or all of such materials to the  
663 Division of Criminal Investigations Insurance Fraud or any other  
664 appropriate government agency. The sharing of these materials  
665 shall not waive any work product or other privilege otherwise



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666 applicable under law.

667 Section 26. Subsection (4) of section 641.30, Florida  
668 Statutes, is amended to read:

669 641.30 Construction and relationship to other laws.—

670 (4) The Division of Criminal Investigations ~~Insurance Fraud~~  
671 of the department is vested with all powers granted to it under  
672 the Florida Insurance Code with respect to the investigation of  
673 any violation of this part.

674 Section 27. Paragraph (1) of subsection (6) of section  
675 932.7055, Florida Statutes, is amended to read:

676 932.7055 Disposition of liens and forfeited property.—

677 (6) If the seizing agency is a state agency, all remaining  
678 proceeds shall be deposited into the General Revenue Fund.  
679 However, if the seizing agency is:

680 (1) The Division of Criminal Investigations ~~Insurance Fraud~~  
681 of the Department of Financial Services, the proceeds accrued  
682 pursuant to the provisions of the Florida Contraband Forfeiture  
683 Act shall be deposited into the Insurance Regulatory Trust Fund  
684 as provided in s. 626.9893 or into the Department of Financial  
685 Services' Federal Law Enforcement Trust Fund as provided in s.  
686 17.43, as applicable.

687 Section 28. This act shall take effect July 1, 2015.