

By Senator Stargel

22-00736A-17

2017986__

1 A bill to be entitled
2 An act relating to the Department of Financial
3 Services; amending s. 17.575, F.S.; replacing, within
4 the Division of Treasury, the Treasury Investment
5 Committee with the Treasury Investment Council;
6 specifying the composition and term length of members;
7 specifying duties of the council; providing that
8 members shall serve without additional compensation or
9 honorarium but may receive per diem and travel expense
10 reimbursement; amending s. 215.422, F.S.; providing
11 applicability of certain requirements relating to
12 payments, warrants, and invoices to payments made in
13 relation to certain agreements funded with federal or
14 state assistance; reordering and amending s. 554.1021,
15 F.S.; defining and redefining terms; amending s.
16 554.103, F.S.; requiring, rather than authorizing, the
17 Department of Financial Services to adopt amendments
18 and interpretations of a specified code into the State
19 Boiler Code; revising requirements that installers,
20 rather than owners, must comply with before installing
21 a boiler; authorizing the department to adopt rules;
22 conforming provisions to changes made by the act;
23 amending s. 554.104, F.S.; deleting a provision
24 relating to boilers of special design which is
25 recreated in s. 554.103, F.S.; requiring certification
26 of boiler inspectors; requiring an application for a
27 certification examination; specifying qualifications
28 and requirements for the certification examination;
29 requiring the department to adopt a specified training

22-00736A-17

2017986__

30 course; providing authorized methods and requirements
31 for the training course; requiring the chief boiler
32 inspector to issue a certificate of competency to a
33 person meeting certain requirements; providing
34 procedures for renewing a certificate; authorizing the
35 department to adopt rules; amending s. 554.105, F.S.;
36 renaming the chief inspector as the chief boiler
37 inspector; revising requirements for the department
38 through the state boiler inspection program; amending
39 s. 554.106, F.S.; renaming deputy inspectors as deputy
40 boiler inspectors; specifying required and authorized
41 duties of deputy boiler inspectors; amending s.
42 554.107, F.S.; renaming special inspectors as special
43 boiler inspectors; revising entities that may employ
44 special boiler inspectors; specifying required
45 inspection intervals for special boiler inspectors;
46 amending s. 554.108, F.S.; providing an exemption,
47 under certain conditions, from inspection
48 requirements; specifying duties of an owner or an
49 owner's designee to allow an inspector to conduct
50 inspections; specifying requirements for boiler
51 inspections and inspection reports; providing a
52 penalty against an insurance carrier if certain
53 followup inspections are not conducted; revising
54 conditions that require a boiler to be shut down;
55 revising requirements and procedures for a boiler that
56 must be shut down; providing construction; authorizing
57 the department to adopt rules; creating s. 554.1081,
58 F.S.; revising requirements for boiler inspections by

22-00736A-17

2017986__

59 insurance companies and local governmental agencies;
60 amending s. 554.109, F.S.; conforming provisions to
61 changes made by the act; revising boilers that are
62 exempt from regulation under the chapter; revising
63 requirements for certain exempt boilers and water
64 heaters; amending s. 554.1101, F.S.; conforming
65 provisions to changes made by the act; requiring a
66 boiler insurance company to notify, within a specified
67 timeframe, the chief boiler inspector under certain
68 circumstances; requiring a certificateholder to submit
69 a certain certificate of insurance to the chief boiler
70 inspector under certain circumstances; amending s.
71 554.111, F.S.; requiring an application for a boiler
72 permit to include a specified fee; requiring the chief
73 boiler inspector to deposit fines into a specified
74 trust fund; conforming provisions to changes made by
75 the act; repealing ss. 554.112 and 554.113, F.S.,
76 relating to examinations, and certification of
77 inspectors and renewals, respectively; amending s.
78 554.114, F.S.; revising prohibited acts; providing
79 penalties for a boiler insurance company or authorized
80 inspection agency that fails to conduct certain
81 inspections; conforming provisions to changes made by
82 the act; amending s. 554.115, F.S.; adding authorized
83 disciplinary actions for the department; adding
84 specified grounds for disciplinary action against an
85 owner of a boiler; revising grounds for disciplinary
86 action against a boiler inspector; deleting a
87 provision requiring a chief inspector to report

22-00736A-17

2017986__

88 certain persons to the state attorney; deleting a
89 provision authorizing certain administrative action by
90 the chief inspector; deleting a provision relating to
91 the duration of a suspended certificate of compliance;
92 creating s. 554.1151, F.S.; authorizing the department
93 to impose specified administrative fines in lieu of or
94 in addition to certain disciplinary actions;
95 authorizing procedures for payment of fines by a
96 certificateholder; requiring a certificate to be
97 revoked under certain circumstances; creating s.
98 554.116, F.S.; requiring a boiler insurance company to
99 annually file a specified report with the chief boiler
100 inspector; requiring the department to adopt a form by
101 rule; amending s. 624.307, F.S.; authorizing the
102 department to expend funds for professional
103 development of its employees; amending s. 626.015,
104 F.S.; defining terms; conforming a cross-reference;
105 amending s. 626.207, F.S.; defining the term
106 "applicant"; revising a list of felonies subject to a
107 permanent bar from licensure; revising a condition for
108 when certain disqualifying periods begin; conforming
109 cross-references; providing an exception from a
110 permanent bar on or disqualifying periods for cases of
111 executive clemency; providing construction; amending
112 s. 626.9954, F.S.; revising a list of felonies subject
113 to a permanent bar from licensure; revising conditions
114 for when certain disqualifying periods begin;
115 conforming cross-references; providing an exception
116 from a permanent bar on or disqualifying periods for

22-00736A-17

2017986__

117 cases of executive clemency; providing construction;
118 amending s. 626.2815, F.S.; authorizing the department
119 to approve a certain number of elective continuing
120 education credits for certain insurance licensees;
121 providing an exception from a certain continuing
122 education requirement for such licensees; amending s.
123 626.611, F.S.; deleting a condition for the
124 involvement of moral turpitude in felonies or certain
125 crimes in relation to compulsory disciplinary actions
126 by the department against certain entities' licenses
127 or appointments; conforming a cross-reference;
128 amending s. 626.621, F.S.; revising grounds for the
129 department's discretionary refusal, suspension, or
130 revocation of the license or appointment of certain
131 persons; amending s. 626.7845, F.S.; revising an
132 exception to the prohibition against the unlicensed
133 transaction of life insurance; conforming a cross-
134 reference; amending s. 626.8305, F.S.; revising an
135 exception to the prohibition against the unlicensed
136 transaction of health insurance; conforming a cross-
137 reference; amending s. 626.861, F.S.; authorizing
138 certain insurer employees to adjust specified claim
139 losses or damage; amending s. 626.9543, F.S.; removing
140 the scheduled expiration of a requirement for insurers
141 to permit claims from a Holocaust victim or certain
142 related persons irrespective of certain conditions;
143 removing the scheduled expiration of an exception from
144 statutes of limitations or laches for certain actions
145 brought by Holocaust victims or certain related

22-00736A-17

2017986__

146 persons; amending s. 633.516, F.S.; authorizing the
147 Division of State Fire Marshal within the division to
148 contract for studies of, rather than to make a
149 continuous study of, occupational diseases of
150 firefighters; adding persons in other fire-related
151 fields to such studies; authorizing the division to
152 release confidential information of an individual
153 firefighter or a person in another fire-related field
154 to certain parties under certain circumstances;
155 amending s. 768.28, F.S.; providing exceptions in tort
156 claims against a subdivision of the state from
157 requirements that a claimant present the written claim
158 to the department within a specified timeframe and
159 serve process upon the department; amending ss.
160 288.706, 626.7315, and 627.351, F.S.; conforming
161 cross-references; providing an effective date.
162

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

164
165 Section 1. Section 17.575, Florida Statutes, is amended to
166 read:

167 17.575 Administration of funds; Treasury Investment Council
168 ~~Committee~~.—

169 (1) There is created a Treasury Investment Council
170 ~~Committee~~ within the Division of Treasury consisting of at least
171 five members, at least three of whom are professionals from the
172 private sector, who must possess special knowledge, experience,
173 and familiarity in finance, investments, or accounting. The
174 members of the council must ~~committee shall~~ be appointed by and

22-00736A-17

2017986__

175 serve at the pleasure of the Chief Financial Officer. Each
176 member shall serve a term of 4 years from the date of
177 appointment. The council ~~committee~~ shall annually elect a chair
178 and vice chair from among its members ~~membership~~.

179 (2) The council shall review the investments required by s.
180 17.57; meet with staff of the Division of Treasury at least
181 biannually; and provide recommendations to the Division of
182 Treasury and the Chief Financial Officer regarding investment
183 policy, strategy, and procedures ~~The committee shall administer~~
184 ~~the Treasury Investment Program consistent with policies~~
185 ~~approved by the Chief Financial Officer for deposits and~~
186 ~~investments of public funds. The committee shall also make~~
187 ~~recommendations regarding investment policy to the Chief~~
188 ~~Financial Officer.~~

189 (3) Members of the council shall serve without additional
190 compensation or honorarium, but may receive per diem and
191 reimbursement for travel expenses as provided in s. 112.061 ~~The~~
192 ~~committee shall submit an annual report outlining its activities~~
193 ~~and recommendations to the Chief Financial Officer and the Joint~~
194 ~~Legislative Auditing Committee. The report shall be submitted on~~
195 ~~August 15, 2009, and annually thereafter.~~

196 Section 2. Present subsections (14) through (16) of section
197 215.422, Florida Statutes, are redesignated as subsections (15)
198 through (17), respectively, and a new subsection (14) is added
199 to that section, to read:

200 215.422 Payments, warrants, and invoices; processing time
201 limits; dispute resolution; agency or judicial branch
202 compliance.-

203 (14) All requirements set forth in this section apply to

22-00736A-17

2017986__

204 payments made in accordance with s. 215.971.

205 Section 3. Section 554.1021, Florida Statutes, is reordered
206 and amended to read:

207 554.1021 Definitions.—As used in this chapter, the term ~~ss.~~
208 ~~554.1011-554.115~~:

209 (3)~~(1)~~ "Boiler" means a closed vessel in which water or
210 other liquid is heated, steam or vapor is generated, steam is
211 superheated, or any combination of these functions is
212 accomplished, under pressure or vacuum, for use external to
213 itself, by the direct application of energy from the combustion
214 of fuels or from electricity or solar energy. The term "boiler"
215 includes fired units for heating or vaporizing liquids other
216 than water where these units are separate from processing
217 systems and are complete within themselves. The varieties of
218 boilers are as follows:

219 (f)~~(a)~~ "Power boiler" means a boiler in which steam or
220 other vapor is generated at a pressure of more than 15 psig.

221 (b) "High pressure, high temperature water boiler" means a
222 water boiler operating at pressures exceeding 160 psig or
223 temperatures exceeding 250 °F.

224 (a)~~(e)~~ "Heating boiler" means a steam or vapor boiler
225 operating at pressures not exceeding 15 psig, or a hot water
226 boiler operating at pressures not exceeding 160 psig or
227 temperatures not exceeding 250 °F.

228 (c)~~(d)~~ "Hot water supply boiler" means a boiler or a lined
229 storage water heater supplying heated water for use external to
230 itself operating at a pressure not exceeding 160 psig or
231 temperature not exceeding 250 °F.

232 (g)~~(e)~~ "Secondhand boiler" means a boiler that has changed

22-00736A-17

2017986__

233 ownership and location subsequent to its original installation
234 and use.

235 (d) "Inservice boiler" means a boiler placed in use after
236 test firing and required inspections have been satisfactorily
237 completed.

238 (e) "Operating boiler" means a boiler connected and ready
239 for use.

240 (h) "Secured boiler" means a boiler that has been:

241 1. Physically disconnected from the system, including
242 disconnection from fuel, water, steam, electricity, and stack;
243 and

244 2. Locked out and tagged out in accordance with the
245 Occupational Safety and Health Administration's standard
246 relating to the control of hazardous energy and lockout or
247 tagout in 29 C.F.R. s. 1910.147, as adopted by rule of the
248 department.

249 (9)(2) "Public assembly locations" includes include
250 schools, day care centers, community centers, churches,
251 theaters, hospitals, nursing and convalescent homes, stadiums,
252 amusement parks, and other locations open to the general public.

253 (5)(3) "Certificate inspection" means an inspection whose
254 the report of which is used by the chief boiler inspector to
255 determine whether or not a certificate of operation may be
256 issued.

257 (7)(4) "Certificate of operation compliance" means a
258 document issued to the owner of a boiler which authorizes the
259 owner to operate the boiler, subject to any restrictions
260 endorsed thereon.

261 (6)(5) "Certificate of competency" means a document issued

22-00736A-17

2017986__

262 to a person who has satisfied the minimum competency
 263 requirements for boiler inspectors under this chapter ~~ss.~~
 264 ~~554.1011-554.115.~~

265 (8)~~(6)~~ "Department" means the Department of Financial
 266 Services.

267 (1)~~(7)~~ "A.S.M.E." means the American Society of Mechanical
 268 Engineers.

269 (2) "Authorized inspection agency" means:

270 (a) Any county, municipality, town, or other governmental
 271 subdivision that has adopted into law the Boiler and Pressure
 272 Vessel Code of the A.S.M.E. and the National Board Inspection
 273 Code for the construction, installation, inspection,
 274 maintenance, and repair of boilers to regulate boilers in public
 275 assembly locations, and whose boiler inspectors hold valid
 276 certificates of competency in accordance with s. 554.104;

277 (b) An insurer authorized by a subsisting certificate of
 278 authority, issued by the Office of Insurance Regulation, to
 279 transact boiler and machinery insurance in this state, and whose
 280 boiler inspectors hold valid certificates of competency in
 281 accordance with s. 554.104; or

282 (c) An inspecting agency accredited in accordance with The
 283 National Board of Boiler and Pressure Vessel Inspector's program
 284 entitled "Accreditation of Authorized Inspection Agencies (AIA)
 285 Performing Inservice or Repair/Alteration Inspection
 286 Activities," document number NB-369, and whose boiler inspectors
 287 hold valid certificates of competency in accordance with s.
 288 554.104.

289 (4) "Boiler insurance company" means a company authorized
 290 by a subsisting certificate of authority, issued by the Office

22-00736A-17

2017986__

291 of Insurance Regulation, to transact boiler and machinery
292 insurance in this state.

293 Section 4. Section 554.103, Florida Statutes, is amended to
294 read:

295 554.103 Boiler code.—The department shall adopt by rule a
296 State Boiler Code for the safe construction, installation,
297 inspection, maintenance, and repair of boilers in this state.
298 The rules adopted shall be based upon and shall at all times
299 follow generally accepted nationwide engineering standards,
300 formulas, and practices pertaining to boiler construction and
301 safety.

302 (1) The department shall adopt an existing code for new
303 construction and installation known as the Boiler and Pressure
304 Vessel Code of the American Society of Mechanical Engineers,
305 including all amendments and interpretations ~~approved thereto by~~
306 ~~the Council on Codes and Standards of A.S.M.E. The department~~
307 ~~may adopt amendments and interpretations~~ to the A.S.M.E. Boiler
308 and Pressure Vessel Code approved by the A.S.M.E. Council on
309 Codes and Standards subsequent to the adoption of the State
310 Boiler Code, and when so adopted by the department, such
311 amendments and interpretations ~~shall~~ become a part of the State
312 Boiler Code.

313 (2) The installer ~~owner~~ of any boiler placed in use in this
314 state after July 1, 2017, must, before installing the boiler,
315 apply on a form adopted by rule of the department for a permit
316 to install the boiler from the chief boiler inspector. The
317 application must include the boiler's A.S.M.E. manufacturer's
318 data report and other documents required by the State Boiler
319 Code before the boiler is placed in service. The installer must

22-00736A-17

2017986__

320 contact the chief boiler inspector to schedule an inspection for
321 each boiler no later than 7 days before the boiler is placed in
322 service after October 1, 1987, shall submit the A.S.M.E.
323 ~~manufacturer's data report on such boiler to the chief inspector~~
324 ~~not more than 90 days following the inservice date of the~~
325 ~~boiler.~~

326 (3) The maximum allowable working pressure of a boiler
327 carrying the A.S.M.E. code symbol must ~~shall~~ be determined by
328 the applicable sections of the code under which it was
329 constructed and stamped. Subject to the concurrence of the chief
330 boiler inspector, such boiler may be rerated in accordance with
331 the standards of the State Boiler Code.

332 (4) The maximum allowable working pressure of a boiler that
333 ~~which~~ does not carry the A.S.M.E. code symbol must ~~shall~~ be
334 computed in accordance with the standards of the State Boiler
335 Code.

336 (5) This chapter may not ~~Nothing in ss. 554.1011-554.115~~
337 ~~shall~~ be construed to in any way prevent the use, sale, or
338 reinstallation of a boiler if such boiler has been made to
339 conform to the applicable provisions of the State Boiler Code
340 governing existing installations and if, upon inspection, the
341 boiler has been found to be in a safe condition.

342 (6) The department, at its discretion, may authorize the
343 construction, installation, and operation of boilers of special
344 design or construction which do not meet the specific
345 requirements of the State Boiler Code, but which are consistent
346 with the intent of the safety objectives of the code.

347 (7) The department may adopt rules pursuant to ss.
348 120.536(1) and 120.54 to administer this chapter. Such rules may

22-00736A-17

2017986__

349 include specifying the procedures and forms to be used to obtain
350 an installation permit, an initial certificate, or a renewal
351 certificate, and the submission of reports and notices required
352 under this chapter.

353 Section 5. Section 554.104, Florida Statutes, is amended to
354 read:

355 554.104 Certification of boiler inspectors required;
356 application; qualifications; renewal Boilers of special design.-
357 ~~The department, at its discretion, may authorize the~~
358 ~~construction, installation, and operation of boilers of special~~
359 ~~design or construction that do not meet the specific~~
360 ~~requirements of the State Boiler Code but are not inconsistent~~
361 ~~with the intent of the safety objectives of such code.~~

362 (1) CERTIFICATE REQUIRED.-A person may not be, act as, or
363 advertise or hold himself or herself out to be an inspector of a
364 boiler that is subject to regulation by this chapter, unless he
365 or she currently holds a certificate of competency issued by the
366 department.

367 (2) APPLICATION.-A person who desires to be certified to
368 inspect boilers that are subject to regulation by this chapter
369 must apply in writing to the department to take the
370 certification examination.

371 (3) QUALIFICATIONS.-A person is qualified to take the
372 certification examination if the person:

373 (a) Has submitted the application for examination together
374 with the fee required under s. 554.111(1) (a);

375 (b) Is at least 18 years of age;

376 (c) Has completed the 2-hour training course under
377 subsection (4) on the requirements of this chapter and any

22-00736A-17

2017986__

378 related rules adopted by the department. The course must be
379 completed no later than 12 months before issuance of an initial
380 or renewal certificate; and

381 (d) Has:

382 1. At least 3 years of experience in the construction,
383 installation, inspection, operation, maintenance, or repair of
384 high pressure, high temperature water boilers; or

385 2. Met the requirements to qualify as a commissioned
386 inspector by the National Board of Boiler and Pressure Vessel
387 Inspectors as set forth in NB-263, Rules for National Board
388 Inservice and New Construction Commissioned Inspectors, as
389 adopted by rule of the department.

390 (4) TRAINING COURSE.—The department shall adopt by rule a
391 2-hour training course on the requirements of this chapter and
392 any related rules adopted by the department. The department
393 shall make the training course available online and may make the
394 course available in a classroom setting. A boiler insurance
395 company may include the department's course as part of its in-
396 house training of a boiler inspector student, in lieu of the
397 student taking the online training course. A boiler insurance
398 company that includes the department's course in its in-house
399 training of a boiler inspector student must indicate that the
400 student completed the training on an application filed with the
401 department for certification of competency.

402 (5) EXAMINATION.—A person applying for a certificate of
403 competency must have successfully passed the examination
404 administered by the National Board of Boiler and Pressure Vessel
405 Inspectors and be eligible to obtain a National Board
406 commission.

22-00736A-17

2017986__

407 (6) ISSUANCE OF CERTIFICATE.—The chief boiler inspector
408 must issue a certificate of competency to each person who is
409 qualified under this section and who holds a commission from the
410 National Board of Boiler and Pressure Vessel Inspectors.

411 (7) RENEWAL OF CERTIFICATE.—A certificate of competency
412 expires on December 31 of each year and may be renewed upon the
413 filing of a renewal application with the department. A secured
414 electronic application must be used, if available on the
415 department's website.

416 (8) RULES.—The department may adopt rules necessary to
417 administer this section.

418 Section 6. Section 554.105, Florida Statutes, is amended to
419 read:

420 554.105 Chief boiler inspector.—

421 (1) The Chief Financial Officer shall appoint a chief
422 boiler inspector, who must have at least ~~shall have not less~~
423 ~~than~~ 5 years' experience in the construction, installation,
424 inspection, operation, maintenance, or repair of high pressure,
425 high temperature water boilers and who must ~~shall~~ hold a
426 commission from the National Board of Boiler and Pressure Vessel
427 Inspectors or a certificate of competency from the department.

428 (2) The department, through the chief boiler inspector,
429 shall administer the state boiler inspection program, and shall:

430 (a) Take all action necessary to enforce the State Boiler
431 Code and the rules adopted pursuant to this chapter ~~ss.~~
432 ~~554.1011-554.115.~~

433 (b) Keep a complete record on all boilers at public
434 assembly locations. Such record must ~~shall~~ include the name of
435 each boiler owner or user and the location, type, ~~dimensions,~~

22-00736A-17

2017986__

436 maximum allowable working pressure, age, ~~and~~ last recorded
437 inspection of each boiler, and any other information necessary
438 to expedite the certification process.

439 ~~(c) Publish and make available to anyone, upon request,~~
440 ~~copies of the rules adopted pursuant to ss. 554.1011-554.115.~~

441 ~~(d)~~ Expend funds necessary to meet the expenses authorized
442 by this chapter ss. 554.1011-554.115, including the necessary
443 travel expenses of the chief boiler inspector and deputy boiler
444 inspectors, and the expenses incident to the maintenance of this
445 ~~his or her~~ office.

446 Section 7. Section 554.106, Florida Statutes, is amended to
447 read:

448 554.106 Deputy boiler inspectors.—

449 (1) The department shall employ deputy boiler inspectors
450 who shall be responsible to the chief boiler inspector ~~and who~~
451 ~~shall each hold a certificate of competency from the department.~~

452 (2) A deputy boiler inspector shall perform inspections of
453 uninsured boilers that are subject to regulation under this
454 chapter, in accordance with the inspection frequency set forth
455 in s. 554.108. A deputy boiler inspector may also engage in
456 public outreach activities of the department and conduct other
457 duties as assigned by the chief boiler inspector.

458 Section 8. Section 554.107, Florida Statutes, is amended to
459 read:

460 554.107 Special boiler inspectors.—

461 (1) Upon application by any authorized inspection agency
462 ~~company licensed to insure boilers in this state~~, the chief
463 boiler inspector shall issue a certificate of competency as a
464 special boiler inspector to any inspector employed by the

22-00736A-17

2017986__

465 authorized inspection agency company, if provided that such
466 boiler inspector satisfies the competency requirements for
467 inspectors as provided in s. 554.104 ~~s. 554.113~~. Special boiler
468 inspectors shall perform inspections of insured boilers in
469 accordance with the inspection frequency set forth in s.
470 554.108.

471 (2) The certificate of competency of a special boiler
472 inspector remains ~~shall remain~~ in effect only so long as the
473 special boiler inspector is employed by an authorized inspection
474 agency a company licensed to insure boilers in this state. Upon
475 termination of employment with such company, such company a
476 ~~special inspector~~ shall, in writing, notify the chief boiler
477 inspector of such special boiler inspector's termination. Such
478 notice must ~~shall~~ be given within 15 days following the date of
479 termination.

480 Section 9. Subsections (1), (2), (4), and (5) of section
481 554.108, Florida Statutes, are amended, and subsection (6) is
482 added to that section, to read:

483 554.108 Inspection.—

484 (1) The inspection requirements of this chapter apply only
485 to boilers located in public assembly locations. A potable hot
486 water supply boiler with a heat input of 200,000 British thermal
487 units (Btu) per hour and above, up to a heat input not exceeding
488 400,000 Btu per hour, is exempt from inspection, but must be
489 stamped with the A.S.M.E. code symbol "HLW" and the boiler's
490 A.S.M.E data report must be filed as required under s.
491 554.103(2) ~~The only boilers required to be inspected under the~~
492 ~~provisions of ss. 554.1011-554.115 are boilers located in public~~
493 ~~assembly locations.~~

22-00736A-17

2017986__

494 (2) Each inspection of a boiler conducted pursuant to this
495 chapter must ~~ss. 554.1011-554.115~~ shall be made by the chief
496 boiler inspector, a deputy boiler inspector, or a special boiler
497 inspector. An owner, or the owner's designee, shall perform all
498 operation, testing, manipulation of boiler controls and safety
499 devices, removal of lagging, and disassembly of boiler
500 components to allow the chief boiler inspector, deputy boiler
501 inspector, or special boiler inspector to conduct inspections as
502 required by this section.

503 (4) Each boiler subject to inspection must be inspected
504 within 30 days after expiration of the boiler's certificate of
505 operation. However, an inspection report must be received by the
506 chief boiler inspector no later than 30 days after the projected
507 expiration date of the certificate of operation. If, upon
508 inspection, the chief boiler inspector, deputy boiler inspector,
509 or special boiler inspector finds that a boiler is in violation
510 of any provision of the State Boiler Code, the inspector must
511 promptly notify the owner or user and state what repairs or
512 other corrective measures are needed. Deputy boiler inspectors
513 and special boiler inspectors shall file a written report, on a
514 form adopted by rule of the department, on each certificate
515 inspection with the chief boiler inspector within 15 days after
516 the following such inspection. A certificate inspection report
517 must list all violations of the State Boiler Code and any
518 conditions that may adversely affect the operation of the
519 boiler. A certificate inspection report filed by a special
520 boiler inspector must include the fee for issuance of a
521 certificate of operation as provided in s. 554.111(1)(c). The
522 filing of reports of inspections, other than statutorily

22-00736A-17

2017986__

523 ~~required certificate inspections, is are~~ not required unless
524 such inspections disclose that a boiler is in an unsafe
525 condition. However, an inspection report must be filed for any
526 inspection performed on a boiler with a previously identified
527 code violation. The report must indicate whether the violation
528 has been corrected. The agency responsible for conducting the
529 inspection must perform followup inspections, not more often
530 than every 4 months, of a previously identified code violation
531 until it is corrected. Failure to conduct such followup
532 inspections subjects the insurance carrier to the penalties
533 provided in s. 554.114(4).

534 (5) Upon a determination by the chief boiler inspector
535 ~~determining that a boiler cannot be safely operated, is in an~~
536 ~~unsafe condition and poses an imminent danger to the public~~
537 ~~health, safety, and welfare, the chief inspector, a deputy~~
538 ~~inspector, or a special inspector may immediately order the~~
539 boiler must immediately to be shut down. The chief boiler
540 inspector or a deputy boiler inspector shall attach a tag to the
541 boiler indicating that the boiler has been shut down due to an
542 unsafe condition. The boiler must shall remain shut down until a
543 reinspection by the chief boiler inspector or a deputy boiler a
544 ~~certified~~ inspector determines that all violations have been
545 ~~corrected, that the boiler may be operated safely, and that a~~
546 ~~certificate of compliance has been issued. A boiler that may not~~
547 be safely operated, as determined by the chief boiler inspector,
548 is deemed to constitute an imminent danger to the public health,
549 safety, and welfare.

550 (6) The department may adopt rules necessary to administer
551 this section.

22-00736A-17

2017986__

552 Section 10. Section 554.1081, Florida Statutes, is created
553 to read:

554 554.1081 Boiler inspections by insurance companies and
555 local governmental agencies.-

556 (1) An insurance company insuring a boiler located in a
557 public assembly location in this state shall inspect, or shall
558 contract with an authorized inspection agency to inspect, the
559 insured boiler. A boiler insurance company shall annually report
560 to the department the name of any authorized inspection agency
561 performing any required boiler inspections on its behalf and
562 shall actively monitor insured boilers to ensure that
563 inspections are conducted as required by this chapter.

564 (2) A county, municipality, town, or other governmental
565 subdivision that has adopted into law the Boiler and Pressure
566 Vessel Code of the A.S.M.E. and the National Board Inspection
567 Code for the construction, installation, inspection,
568 maintenance, and repair of boilers to regulate boilers in public
569 assembly locations may inspect such boilers. All boiler
570 inspections must be conducted by special boiler inspectors in
571 accordance with this chapter.

572 Section 11. Section 554.109, Florida Statutes, is amended
573 to read:

574 554.109 Exemptions.-

575 ~~(1) Any insurance company insuring a boiler located in a~~
576 ~~public assembly location in this state shall inspect such boiler~~
577 ~~so insured, and any county, city, town, or other governmental~~
578 ~~subdivision which has adopted into law the Boiler and Pressure~~
579 ~~Vessel Code of the American Society of Mechanical Engineers and~~
580 ~~the National Board Inspection Code for the construction,~~

22-00736A-17

2017986__

581 ~~installation, inspection, maintenance, and repair of boilers,~~
582 ~~regulating such boilers in public assembly locations, shall~~
583 ~~inspect such boilers so regulated; provided that such inspection~~
584 ~~shall be conducted by a special inspector licensed pursuant to~~
585 ~~ss. 554.1011-554.115. Upon filing of a report of satisfactory~~
586 ~~inspection with the department, such boiler is exempt from~~
587 ~~inspection by the department.~~

588 ~~(2) The provisions of This chapter does shall not apply to~~
589 ~~potable hot water supply boilers or lined storage water heaters~~
590 ~~that which are directly fired with oil, gas, electricity, or~~
591 ~~solar energy, provided that none of the following limitations is~~
592 ~~are exceeded:~~

593 ~~(1)(a)~~ Heat input of 400,000 Btu per hour.

594 ~~(2)(b)~~ Water temperature of 210 degrees Fahrenheit.

595 ~~(3)(c)~~ Nominal water-containing capacity of 120 gallons.

596
597 ~~These exempt hot water supply boilers and lined storage water~~
598 ~~heaters shall be equipped with safety relief valves conforming~~
599 ~~to the requirements of the Boiler and Pressure Vessel Code of~~
600 ~~the American Society of Mechanical Engineers and of the National~~
601 ~~Board Inspection Code.~~

602 Section 12. Section 554.1101, Florida Statutes, is amended
603 to read:

604 554.1101 Certificate of operation compliance.—

605 (1) If an inspection report filed pursuant to s. 554.108
606 shows a boiler to be in compliance with all applicable
607 provisions of the State Boiler Code, the chief boiler inspector
608 must ~~shall~~, upon receipt of the inspection fee, issue a
609 certificate of operation compliance to the owner. Such

22-00736A-17

2017986__

610 certificate must ~~shall~~ bear the date of the inspection and
611 specify the maximum pressure at which the boiler may be
612 operated.

613 (2) The certificate for a power boiler or a high pressure,
614 high temperature water boiler is valid for a period of 12 months
615 from the date of the certificate inspection. The certificate for
616 a heating boiler or a hot water supply boiler is valid for a
617 period of 24 months from the date of the certificate inspection.
618 The certificate must ~~shall~~ be posted under glass, or be
619 similarly protected, in the room containing the boiler.

620 (3) A boiler insurance company shall notify the chief
621 boiler inspector within 30 days after the issuance of a new or
622 renewal boiler and machinery insurance policy, or the
623 cancellation or nonrenewal of a boiler and machinery insurance
624 policy, covering places of public assembly in this state.

625 (4) If the chief boiler inspector has knowledge that a
626 boiler regulated under this chapter was covered by a boiler and
627 machinery insurance policy after its most recent certification
628 inspection, the certificateholder must, upon the request of the
629 chief boiler inspector, submit its certificate of boiler and
630 machinery insurance for the boiler if the department has not
631 received the special boiler inspector's annual inspection report
632 within 30 days after its due date.

633 Section 13. Section 554.111, Florida Statutes, is amended
634 to read:

635 554.111 Fees.—

636 (1) The department shall charge the following fees:

637 (a) For an applicant for a certificate of competency, the
638 initial application fee shall be \$50, and the annual renewal fee

22-00736A-17

2017986__

639 shall be \$30. The fee for examination shall be \$50.

640 (b) For certificate inspections conducted by the
641 department:

642 1. For power boilers and high pressure, high temperature
643 water boilers of:

644 4,000 square feet or less heating surface.....\$60

645 More than 4,000 square feet heating surface and less than 10,000

646 square feet of heating surface.....\$70

647 10,000 square feet or more heating surface.....\$90

648 2. For heating boilers:

649 Without a manhole.....\$40

650 With a manhole.....\$70

651 3. For hot water supply boilers.....\$40

652 (c) For issuance of a ~~compliance~~ certificate of operation
653 without a department inspection.....\$30

654 (d) Duplicate certificates or address
655 changes.....\$5

656 (e) An application for a boiler permit must include the
657 applicable certificate inspection fee provided in paragraph (b).

658 (2) Not more than an amount equal to one certificate
659 inspection fee may ~~shall~~ be charged or collected for any and all
660 boiler inspections in any inspection period, except as otherwise
661 provided in this chapter ~~ss. 554.1011-554.115~~.

662 (a) When it is necessary to make a special trip to observe
663 the application of a hydrostatic test, an additional fee equal
664 to the fee for a certificate inspection of the boiler must ~~shall~~
665 be charged.

666 (b) All other inspections, including shop inspections,
667 surveys, and inspections of secondhand boilers made by the chief

22-00736A-17

2017986__

668 boiler inspector or a deputy boiler inspector, must ~~shall~~ be
669 charged at the rate of not less than \$270 for one-half day of 4
670 hours, and \$500 for 1 full day of 8 hours, plus travel, hotel,
671 and incidental expenses in accordance with chapter 112.

672 (3) The chief boiler inspector shall deposit all fees or
673 fines received pursuant to this chapter ~~ss. 554.1011-554.115~~
674 into the Insurance Regulatory Trust Fund.

675 Section 14. Sections 554.112 and 554.113, Florida Statutes,
676 are repealed.

677 Section 15. Section 554.114, Florida Statutes, is amended
678 to read:

679 554.114 Prohibitions; penalties.—

680 (1) A person may not:

681 (a) Operate a boiler at a public assembly location without
682 a valid certificate of operation ~~compliance~~ for that boiler;

683 ~~(b) Give false or forged information to the department or~~
684 ~~an inspector for the purpose of obtaining a certificate of~~
685 ~~compliance;~~

686 ~~(c) Use a certificate of operation ~~compliance~~ for any~~
687 boiler other than for the boiler for which it was issued;

688 ~~(c)(d)~~ Operate a boiler for which the certificate of
689 operation ~~compliance~~ has been suspended, revoked, or not
690 renewed;

691 ~~(e) Give false or forged information to the department for~~
692 ~~the purpose of obtaining a certificate of competence; or~~

693 ~~(d)(f)~~ Inspect any boiler regulated under this chapter ~~the~~
694 ~~provisions of ss. 554.1011-554.115~~ without having a valid
695 certificate of competency.

696 (2) A boiler insurance company that fails to inspect or to

22-00736A-17

2017986__

697 have inspected, in accordance with this chapter, any boiler
698 insured by the company and regulated under this chapter is
699 subject to the penalties provided in subsection (4) Any person
700 ~~who violates this section is guilty of a misdemeanor of the~~
701 ~~second degree, punishable by fine as provided in s. 775.083.~~

702 (3) An authorized inspection agency that is under contract
703 with a boiler insurance company and that fails to inspect, in
704 accordance with this chapter, any boiler insured by the company
705 and regulated under this chapter is subject to the penalties
706 provided in subsection (4).

707 (4) A boiler insurance company, authorized inspection
708 agency, or other person in violation of this section for more
709 than 30 days shall pay a fine of \$10 per day for the first 10
710 days of noncompliance, \$50 per day for the subsequent 20 days of
711 noncompliance, and \$100 per day for each subsequent day over 20
712 days of noncompliance.

713 Section 16. Section 554.115, Florida Statutes, is amended
714 to read:

715 554.115 Disciplinary proceedings.—

716 (1) The department may deny, refuse to renew, suspend, or
717 revoke a certificate of operation ~~compliance~~ upon proof that:

718 (a) The certificate has been obtained by fraud or
719 misrepresentation;

720 (b) The boiler for which the certificate was issued cannot
721 be operated safely; ~~or~~

722 (c) The person who received the certificate willfully or
723 deliberately violated the State Boiler Code, this chapter, ~~or~~
724 ~~ss. 554.1011-554.115~~ or any other rule adopted pursuant to this
725 chapter; or ~~ss. 554.1011-554.115.~~

22-00736A-17

2017986__

- 726 (d) The owner of a boiler:
- 727 1. Operated a boiler at a public assembly location without
728 a valid certificate of operation for that boiler;
- 729 2. Used a certificate of operation for a boiler other than
730 the boiler for which the certificate of operation was issued;
- 731 3. Gave false or forged information to the department, to
732 an authorized inspection agency, or to another boiler inspector
733 for the purpose of obtaining a certificate of operation;
- 734 4. Operated a boiler after the certificate of operation for
735 the boiler expired, was not renewed, or was suspended or
736 revoked;
- 737 5. Operated a boiler that is in an unsafe condition; or
- 738 6. Operated a boiler in a manner that is contrary to the
739 requirements of this chapter or any rule adopted under this
740 chapter.
- 741 (2) The department may deny, refuse to renew, suspend, or
742 revoke a certificate of competency upon proof that:
- 743 (a) The certificate was obtained by fraud or
744 misrepresentation;
- 745 (b) The inspector to whom the certificate was issued is no
746 longer qualified under this chapter ~~ss. 554.1011-554.115~~ to
747 inspect boilers; or
- 748 (c) The boiler inspector:
- 749 1. ~~Operated a boiler at a public assembly location without~~
750 ~~a valid certificate of compliance for that boiler;~~
- 751 ~~2. Gave false or forged information to the department, an~~
752 authorized inspection agency, or to another boiler inspector for
753 the purpose of obtaining a certificate of operation; or
754 compliance;

22-00736A-17

2017986__

755 ~~3. Used a certificate of compliance for any boiler other~~
756 ~~than the boiler for which it was issued;~~

757 ~~4. Operated a boiler for which the certificate of~~
758 ~~compliance has been suspended or revoked or has expired;~~

759 ~~2.5.~~ Inspected any boiler regulated under this chapter ~~ss.~~
760 ~~554.1011-554.115~~ without having obtained a valid certificate of
761 competency. ~~7~~

762 ~~6. Operated a boiler that is in an unsafe condition; or~~

763 ~~7. Operated a boiler in a manner that is contrary to the~~
764 ~~requirements of this chapter or any rule adopted under this~~
765 ~~chapter.~~

766 (3) Each suspension of a certificate of operation
767 ~~compliance~~ or certificate of competency shall continue in effect
768 until all violations have been corrected and, for boiler safety
769 violations, until the boiler has been inspected by an authorized
770 inspector and shown to be in a safe working condition.

771 ~~(4) A person in violation of this section who does not have~~
772 ~~a valid certificate of competency shall be reported by the chief~~
773 ~~inspector to the appropriate state attorney.~~

774 ~~(5) A person in violation of this section who has a valid~~
775 ~~certificate of competency is subject to administrative action by~~
776 ~~the chief inspector.~~

777 ~~(4)-(6)~~ A revocation of a certificate of competency is
778 permanent, and a revoked certificate of competency may not be
779 reinstated or a new certificate of competency issued to the same
780 person. A suspension of a certificate of competency continues in
781 effect until all violations have been corrected. ~~A suspension of~~
782 ~~a certificate of compliance for any boiler safety violation~~
783 ~~continues in effect until the boiler has been inspected by an~~

22-00736A-17

2017986__

784 ~~authorized inspector and shown to be in safe working condition.~~

785 Section 17. Section 554.1151, Florida Statutes, is created
786 to read:

787 554.1151 Administrative fine in lieu of or in addition to
788 suspension, revocation, or refusal to renew a certificate of
789 operation or competency.—

790 (1) If the department finds that one or more grounds exist
791 for the suspension, revocation, or refusal to renew any
792 certificate of operation or certificate of competency issued
793 under this chapter, the department may, in its discretion, in
794 lieu of or in addition to suspension or revocation or in lieu of
795 refusal to renew, impose upon the certificateholder an
796 administrative penalty in an amount up to \$500, or, if the
797 department has found willful misconduct or willful violation on
798 the part of the certificateholder, in an amount up to \$3,500.

799 (2) The department may allow the certificateholder a
800 reasonable period, no more than 30 days, within which to pay to
801 the department the amount of the penalty so imposed. If the
802 certificateholder fails to pay the penalty in its entirety to
803 the department within the period so allowed, the certificate of
804 that person must be suspended until the penalty is paid. If the
805 certificateholder fails to pay the penalty in its entirety to
806 the department within 90 days after the period so allowed, the
807 certificate of that person must be revoked.

808 Section 18. Section 554.116, Florida Statutes, is created
809 to read:

810 554.116 Report on insured losses.—A boiler insurance
811 company that insures any boiler in this state must annually file
812 a report with the chief boiler inspector, within 30 days after

22-00736A-17

2017986__

813 the end of the previous calendar year, regarding claims paid by
814 the insurer under policies insuring boilers in this state. The
815 report must include the type of establishment in which the
816 boiler was located, the location of the establishment, the
817 amount of the loss, the apparent cause of the loss, and any
818 other information that the department determines is not
819 inconsistent with the intent of the safety objectives of the
820 State Boiler Code. The department shall adopt a form by rule for
821 submission of the report.

822 Section 19. Subsection (7) of section 624.307, Florida
823 Statutes, is amended to read:

824 624.307 General powers; duties.—

825 (7) The department and office, within existing resources,
826 may expend funds for the professional development of its
827 employees, including, but not limited to, professional dues for
828 employees who are required to be members of professional
829 organizations; examinations leading to professional designations
830 required for employment with the office; training courses and
831 examinations provided through, and to ensure compliance with,
832 the National Association of Insurance Commissioners; or other
833 training courses related to the regulation of insurance.

834 Section 20. Present subsections (1), (2), and (3) and (4)
835 through (19) of section 626.015, Florida Statutes, are
836 redesignated as subsections (2), (3), and (4) and (6) through
837 (21), respectively, present subsection (8) is amended, and new
838 subsections (1) and (5) are added to that section, to read:

839 626.015 Definitions.—As used in this part:

840 (1) "Active participant" means a member in good standing of
841 an association who attends 4 or more hours of association

22-00736A-17

2017986__

842 meetings every year, not including any department-approved
843 continuing education course.

844 (5) "Association" includes the Florida Association of
845 Insurance Agents (FAIA), the National Association of Insurance
846 and Financial Advisors (NAIFA), the Florida Association of
847 Health Underwriters (FAHU), the Latin American Association of
848 Insurance Agencies (LAAIA), the Florida Association of Public
849 Insurance Adjusters (FAPIA), the Florida Bail Agents Association
850 (FBAA), or the Professional Bail Agents of the United States
851 (PBUS).

852 (10)~~(8)~~ "Insurance agency" means a business location at
853 which an individual, firm, partnership, corporation,
854 association, or other entity, other than an employee of the
855 individual, firm, partnership, corporation, association, or
856 other entity and other than an insurer as defined by s. 624.03
857 or an adjuster as defined by subsection (2) ~~(1)~~, engages in any
858 activity or employs individuals to engage in any activity which
859 by law may be performed only by a licensed insurance agent.

860 Section 21. Section 626.207, Florida Statutes, is amended
861 to read:

862 626.207 Disqualification of applicants and licensees;
863 penalties against licensees; rulemaking authority.—

864 (1) For purposes of this section, the term or terms:

865 (a) "Applicant" means an individual applying for licensure
866 or relicensure under this chapter, and an officer, director,
867 majority owner, partner, manager, or other person who manages or
868 controls an entity applying for licensure or relicensure under
869 this chapter.

870 (c) "Financial services business" means any financial

22-00736A-17

2017986__

871 activity regulated by the Department of Financial Services, the
872 Office of Insurance Regulation, or the Office of Financial
873 Regulation.

874 ~~(b)(2)~~ For purposes of this section, the terms "Felony of
875 the first degree" and "capital felony" include all felonies
876 designated as such by the Florida Statutes, as well as any
877 felony so designated in the jurisdiction in which the plea is
878 entered or judgment is rendered.

879 ~~(2)(3)~~ An applicant who has been found guilty of or has
880 pleaded guilty or nolo contendere to any of the following
881 crimes, regardless of adjudication, is permanently barred from
882 licensure under this chapter: ~~commits~~

883 (a) A felony of the first degree;

884 (b) A capital felony;

885 (c) A felony involving money laundering; ~~fraud, or~~

886 (d) A felony embezzlement; or

887 (e) A felony directly related to the financial services
888 business ~~is permanently barred from applying for a license under~~
889 ~~this part. This bar applies to convictions, guilty pleas, or~~
890 ~~nolo contendere pleas, regardless of adjudication, by any~~
891 ~~applicant, officer, director, majority owner, partner, manager,~~
892 ~~or other person who manages or controls any applicant.~~

893 ~~(3)(4)~~ An applicant who has been found guilty of or has
894 pleaded guilty or nolo contendere to a crime ~~For all other~~
895 ~~crimes~~ not included in subsection (2), regardless of
896 adjudication, is subject to ~~(3)~~, the department shall adopt
897 ~~rules establishing the process and application of disqualifying~~
898 ~~periods that include:~~

899 (a) A 15-year disqualifying period for all felonies

22-00736A-17

2017986__

900 involving moral turpitude which ~~that~~ are not specifically
901 included in the permanent bar contained in subsection (2) ~~(3)~~.

902 (b) A 7-year disqualifying period for all felonies to which
903 neither the permanent bar in subsection (2) ~~(3)~~ nor the 15-year
904 disqualifying period in paragraph (a) applies.

905 (c) A 7-year disqualifying period for all misdemeanors
906 directly related to the financial services business.

907 (4) ~~(5)~~ The department shall adopt rules to administer this
908 section. The rules must provide ~~providing~~ for additional
909 disqualifying periods due to the commitment of multiple crimes
910 and may include other factors reasonably related to the
911 applicant's criminal history. The rules shall provide for
912 mitigating and aggravating factors. However, mitigation may not
913 result in a period of disqualification of less than 7 years and
914 may not mitigate the disqualifying periods in paragraphs (3) (b)
915 and (c) ~~(4) (b) and (c)~~.

916 (5) ~~(6)~~ For purposes of this section, the disqualifying
917 periods begin upon the applicant's final release from
918 supervision or upon completion of the applicant's criminal
919 sentence, ~~including payment of fines, restitution, and court~~
920 ~~costs for the crime for which the disqualifying period applies.~~
921 The department may not issue a license to an applicant unless
922 all related fines, court costs and fees, and court-ordered
923 restitution have been paid.

924 (6) ~~(7)~~ After the disqualifying period has expired ~~been met~~,
925 the burden is on the applicant to demonstrate that the applicant
926 has been rehabilitated, does not pose a risk to the insurance-
927 buying public, is fit and trustworthy to engage in the business
928 of insurance pursuant to s. 626.611(1)(g), and is otherwise

22-00736A-17

2017986__

929 qualified for licensure.

930 (7) Notwithstanding subsections (2) and (3), upon a grant
931 of a pardon or the restoration of civil rights pursuant to
932 chapter 940 and s. 8, Art. IV of the State Constitution with
933 respect to a finding of guilt or a plea under subsection (2) or
934 subsection (3), such finding or plea no longer bars or
935 disqualifies the applicant from licensure under this chapter
936 unless the clemency specifically excludes licensure in the
937 financial services business; however, a pardon or restoration of
938 civil rights does not require the department to award such
939 license.

940 (8) The department shall adopt rules establishing specific
941 penalties against licensees in accordance with ss. 626.641 and
942 626.651 for violations of s. 626.611, s. 626.621, s. 626.8437,
943 s. 626.844, s. 626.935, s. 634.181, s. 634.191, s. 634.320, s.
944 634.321, s. 634.422, s. 634.423, s. 642.041, or s. 642.043. The
945 purpose of the revocation or suspension is to provide a
946 sufficient penalty to deter future violations of the Florida
947 Insurance Code. The imposition of a revocation or the length of
948 suspension shall be based on the type of conduct and the
949 probability that the propensity to commit further illegal
950 conduct has been overcome at the time of eligibility for
951 relicensure. The length of suspension may be adjusted based on
952 aggravating or mitigating factors, established by rule and
953 consistent with this purpose.

954 (9) Section 112.011 does not apply to any applicants for
955 licensure under the Florida Insurance Code, including, but not
956 limited to, agents, agencies, adjusters, adjusting firms,
957 customer representatives, or managing general agents.

22-00736A-17

2017986__

958 Section 22. Section 626.9954, Florida Statutes, is amended
959 to read:

960 626.9954 Disqualification from registration.—

961 (1) As used in this section, the terms "felony of the first
962 degree" and "capital felony" include all felonies so designated
963 by the laws of this state, as well as any felony so designated
964 in the jurisdiction in which the plea is entered or judgment is
965 rendered.

966 (2) An applicant who has been found guilty of or has
967 pleaded guilty or nolo contendere to the following crimes,
968 regardless of adjudication, is permanently disqualified from
969 registration under this part: ~~commits~~

970 (a) A felony of the first degree;

971 (b) A capital felony;

972 (c) A felony involving money laundering; ~~fraud, or~~

973 (d) A felony embezzlement; or

974 (e) A felony directly related to the financial services
975 business ~~is permanently barred from applying for registration~~
976 ~~under this part. This bar applies to convictions, guilty pleas,~~
977 ~~or nolo contendere pleas, regardless of adjudication, by an~~
978 applicant.

979 (3) An applicant who has been found guilty of or has
980 pleaded guilty or nolo contendere to a crime ~~For all other~~
981 ~~crimes~~ not described in subsection (2), regardless of
982 adjudication, is subject to the department may adopt rules
983 ~~establishing the process and application of disqualifying~~
984 ~~periods including:~~

985 (a) A 15-year disqualifying period for all felonies
986 involving moral turpitude which are not specifically included in

22-00736A-17

2017986__

987 subsection (2).

988 (b) A 7-year disqualifying period for all felonies not
989 specifically included in subsection (2) or paragraph (a).

990 (c) A 7-year disqualifying period for all misdemeanors
991 directly related to the financial services business.

992 (4) The department may adopt rules to administer this
993 section. The rules must provide for ~~providing~~ additional
994 disqualifying periods due to the commitment of multiple crimes
995 and may include other factors reasonably related to the
996 applicant's criminal history. The rules must provide for
997 mitigating and aggravating factors. However, mitigation may not
998 result in a disqualifying period of less than 7 years and may
999 not mitigate the disqualifying periods in paragraph (3) (b) or
1000 paragraph (3) (c).

1001 (5) For purposes of this section, the disqualifying periods
1002 begin upon the applicant's final release from supervision or
1003 upon completion of the applicant's criminal sentence, ~~including~~
1004 ~~the payment of fines, restitution, and court costs for the crime~~
1005 ~~for which the disqualifying period applies.~~ The department may
1006 not issue a registration to an applicant unless all related
1007 fines, court costs and fees, and court-ordered restitution have
1008 been paid.

1009 (6) After the disqualifying period has expired ~~been met~~,
1010 the burden is on the applicant to demonstrate to the
1011 satisfaction of the department that he or she has been
1012 rehabilitated and does not pose a risk to the insurance-buying
1013 public and is otherwise qualified for registration.

1014 (7) Notwithstanding subsections (2) and (3), upon a grant
1015 of a pardon or the restoration of civil rights pursuant to

22-00736A-17

2017986__

1016 chapter 940 and s. 8, Art. IV of the State Constitution with
 1017 respect to a finding of guilt or a plea under subsection (2) or
 1018 subsection (3), such finding or plea no longer bars or
 1019 disqualifies the applicant from applying for registration under
 1020 this part unless the clemency specifically excludes licensure or
 1021 specifically excludes registration in the financial services
 1022 business; however, a pardon or restoration of civil rights does
 1023 not require the department to award such registration.

1024 (8)~~(7)~~ Section 112.011 does not apply to an applicant for
 1025 registration as a navigator.

1026 Section 23. Paragraph (a) of subsection (3) of section
 1027 626.2815, Florida Statutes, is amended, and paragraph (j) is
 1028 added to that subsection, to read:

1029 626.2815 Continuing education requirements.—

1030 (3) Each licensee except a title insurance agent must
 1031 complete a 5-hour update course every 2 years which is specific
 1032 to the license held by the licensee. The course must be
 1033 developed and offered by providers and approved by the
 1034 department. The content of the course must address all lines of
 1035 insurance for which examination and licensure are required and
 1036 include the following subject areas: insurance law updates,
 1037 ethics for insurance professionals, disciplinary trends and case
 1038 studies, industry trends, premium discounts, determining
 1039 suitability of products and services, and other similar
 1040 insurance-related topics the department determines are relevant
 1041 to legally and ethically carrying out the responsibilities of
 1042 the license granted. A licensee who holds multiple insurance
 1043 licenses must complete an update course that is specific to at
 1044 least one of the licenses held. Except as otherwise specified,

22-00736A-17

2017986__

1045 any remaining required hours of continuing education are
 1046 elective and may consist of any continuing education course
 1047 approved by the department under this section.

1048 (a) Except as provided in paragraphs (b), (c), (d), (e),
 1049 ~~and (i), and (j),~~ each licensee must also complete 19 hours of
 1050 elective continuing education courses every 2 years.

1051 (j) For a licensee who is an active participant in an
 1052 association, 2 hours of elective continuing education credit per
 1053 calendar year may be approved by the department, if properly
 1054 reported by the association.

1055 Section 24. Paragraph (n) of subsection (1) and subsection
 1056 (2) of section 626.611, Florida Statutes, are amended to read:

1057 626.611 Grounds for compulsory refusal, suspension, or
 1058 revocation of agent's, title agency's, adjuster's, customer
 1059 representative's, service representative's, or managing general
 1060 agent's license or appointment.-

1061 (1) The department shall deny an application for, suspend,
 1062 revoke, or refuse to renew or continue the license or
 1063 appointment of any applicant, agent, title agency, adjuster,
 1064 customer representative, service representative, or managing
 1065 general agent, and it shall suspend or revoke the eligibility to
 1066 hold a license or appointment of any such person, if it finds
 1067 that as to the applicant, licensee, or appointee any one or more
 1068 of the following applicable grounds exist:

1069 (n) Having been found guilty of or having pleaded guilty or
 1070 nolo contendere to a felony or a crime punishable by
 1071 imprisonment of 1 year or more under the law of the United
 1072 States of America or of any state thereof or under the law of
 1073 any other country ~~which involves moral turpitude,~~ without regard

22-00736A-17

2017986__

1074 to whether a judgment of conviction has been entered by the
1075 court having jurisdiction of such cases.

1076 (2) The department shall, upon receipt of information or an
1077 indictment, immediately temporarily suspend a license or
1078 appointment issued under this chapter when the licensee is
1079 charged with a felony enumerated in s. 626.207(2) ~~s. 626.207(3)~~.
1080 Such suspension shall continue if the licensee is found guilty
1081 of, or pleads guilty or nolo contendere to, the crime,
1082 regardless of whether a judgment or conviction is entered,
1083 during a pending appeal. A person may not transact insurance
1084 business after suspension of his or her license or appointment.

1085 Section 25. Subsection (8) of section 626.621, Florida
1086 Statutes, is amended, and a new subsection (15) is added to that
1087 section, to read:

1088 626.621 Grounds for discretionary refusal, suspension, or
1089 revocation of agent's, adjuster's, customer representative's,
1090 service representative's, or managing general agent's license or
1091 appointment.—The department may, in its discretion, deny an
1092 application for, suspend, revoke, or refuse to renew or continue
1093 the license or appointment of any applicant, agent, adjuster,
1094 customer representative, service representative, or managing
1095 general agent, and it may suspend or revoke the eligibility to
1096 hold a license or appointment of any such person, if it finds
1097 that as to the applicant, licensee, or appointee any one or more
1098 of the following applicable grounds exist under circumstances
1099 for which such denial, suspension, revocation, or refusal is not
1100 mandatory under s. 626.611:

1101 ~~(8) Having been found guilty of or having pleaded guilty or~~
1102 ~~nolo contendere to a felony or a crime punishable by~~

22-00736A-17

2017986__

1103 ~~imprisonment of 1 year or more under the law of the United~~
 1104 ~~States of America or of any state thereof or under the law of~~
 1105 ~~any other country, without regard to whether a judgment of~~
 1106 ~~conviction has been entered by the court having jurisdiction of~~
 1107 ~~such cases.~~

1108 (15) Denial, suspension, or revocation of, or any other
 1109 adverse administrative action against, a license to practice or
 1110 conduct any regulated profession, business, or vocation by this
 1111 state, any other state, any nation, any possession or district
 1112 of the United States, any court, or any lawful agency thereof.

1113 Section 26. Subsection (2) of section 626.7845, Florida
 1114 Statutes, is amended to read:

1115 626.7845 Prohibition against unlicensed transaction of life
 1116 insurance.—

1117 (2) Except as provided in s. 626.112(6), with respect to
 1118 any line of authority specified in s. 626.015(12) ~~s.~~
 1119 ~~626.015(10)~~, an ~~no~~ individual may not ~~shall~~, unless licensed as
 1120 a life agent:

1121 (a) Solicit insurance or annuities or procure applications;

1122 (b) In this state, engage or hold himself or herself out as
 1123 engaging in the business of analyzing or abstracting insurance
 1124 policies or of counseling or advising or giving opinions to
 1125 persons relative to insurance or insurance contracts, unless the
 1126 individual is ~~other than~~:

1127 1. ~~As~~ A consulting actuary advising insurers ~~an insurer~~; or

1128 2. An employee ~~As to the counseling and advising of a labor~~
 1129 union, association, employer, or other business entity ~~labor~~
 1130 ~~unions, associations, trustees, employers, or other business~~
 1131 ~~entities, or~~ the subsidiaries and affiliates of each, who

22-00736A-17

2017986__

1132 counsels and advises such entity or entities relative to their
 1133 interests and those of their members or employees under
 1134 insurance benefit plans; or

1135 3. A trustee advising a settlor, a beneficiary, or a person
 1136 regarding his or her interests in a trust, relative to insurance
 1137 benefit plans; or

1138 (c) In this state, from this state, or with a resident of
 1139 this state, offer or attempt to negotiate on behalf of another
 1140 person a viatical settlement contract as defined in s. 626.9911.

1141 Section 27. Section 626.8305, Florida Statutes, is amended
 1142 to read:

1143 626.8305 Prohibition against the unlicensed transaction of
 1144 health insurance.—Except as provided in s. 626.112(6), with
 1145 respect to any line of authority specified in s. 626.015(8) ~~s.~~
 1146 ~~626.015(6)~~, an ~~no~~ individual may not ~~shall~~, unless licensed as a
 1147 health agent:

1148 (1) Solicit insurance or procure applications; or

1149 (2) In this state, engage or hold himself or herself out as
 1150 engaging in the business of analyzing or abstracting insurance
 1151 policies or of counseling or advising or giving opinions to
 1152 persons relative to insurance contracts, unless the individual
 1153 is other than:

1154 (a) ~~As~~ A consulting actuary advising insurers; ~~or~~

1155 (b) An employee ~~As to the counseling and advising of a~~
 1156 labor union, association, employer, or other business entity
 1157 ~~labor unions, associations, trustees, employers, or other~~
 1158 ~~business entities, or~~ the subsidiaries and affiliates of each,
 1159 who counsels and advises such entity or entities relative to
 1160 their interests and those of their members or employees under

22-00736A-17

2017986__

1161 insurance benefit plans; ~~or-~~

1162 (c) A trustee advising a settlor, a beneficiary, or a
 1163 person regarding his or her interests in a trust, relative to
 1164 insurance benefit plans.

1165 Section 28. Subsection (1) of section 626.861, Florida
 1166 Statutes, is amended to read:

1167 626.861 Insurer's officers, insurer's employees, reciprocal
 1168 insurer's representatives; adjustments by.-

1169 (1) This part may not ~~Nothing in this part shall~~ be
 1170 construed to prevent an executive officer of any insurer, ~~or~~ a
 1171 regularly salaried employee of an insurer handling claims with
 1172 respect to health insurance, a regular employee of an insurer
 1173 handling claims with respect to residential property when the
 1174 sublimit coverage does not exceed \$500, or the duly designated
 1175 attorney or agent authorized and acting for subscribers to
 1176 reciprocal insurers, from adjusting any claim loss or damage
 1177 under any insurance contract of such insurer.

1178 Section 29. Paragraph (c) of subsection (5) and subsection
 1179 (6) of section 626.9543, Florida Statutes, are amended to read:

1180 626.9543 Holocaust victims.-

1181 (5) PROOF OF A CLAIM.-Any insurer doing business in this
 1182 state, in receipt of a claim from a Holocaust victim or from a
 1183 beneficiary, descendant, or heir of a Holocaust victim, shall:

1184 (c) Permit claims irrespective of any statute of
 1185 limitations or notice requirements imposed by any insurance
 1186 policy issued, ~~provided the claim is submitted on or before July~~
 1187 ~~1, 2018.~~

1188 (6) STATUTE OF LIMITATIONS.-Notwithstanding any law or
 1189 agreement among the parties to an insurance policy to the

22-00736A-17

2017986__

1190 contrary, any action brought by Holocaust victims or by a
1191 beneficiary, heir, or a descendant of a Holocaust victim seeking
1192 proceeds of an insurance policy issued or in effect between 1920
1193 and 1945, inclusive, may ~~shall~~ not be dismissed for failure to
1194 comply with the applicable statute of limitations or laches
1195 ~~provided the action is commenced on or before July 1, 2018.~~

1196 Section 30. Section 633.516, Florida Statutes, is amended
1197 to read:

1198 633.516 Studies of Division to make study of firefighter
1199 employee occupational diseases of firefighters or persons in
1200 other fire-related fields.—The division may contract for
1201 studies, subject to the availability of funding, of ~~shall make a~~
1202 ~~continuous study of firefighter employee occupational diseases~~
1203 of firefighters or persons in other fire-related fields and the
1204 ways and means for the ~~their~~ control and prevention of such
1205 occupational diseases. When such a study or another study that
1206 is wholly or partly funded under an agreement, including a
1207 contract or grant, with the department tracks a disease of an
1208 individual firefighter or a person in another fire-related
1209 field, the division may, with associated security measures,
1210 release the confidential information, including a social
1211 security number, of that individual to a party who has entered
1212 into an agreement with the department ~~and shall adopt rules~~
1213 ~~necessary for such control and prevention. For this purpose, the~~
1214 ~~division is authorized to cooperate with firefighter employers,~~
1215 ~~firefighter employees, and insurers and with the Department of~~
1216 ~~Health.~~

1217 Section 31. Paragraph (a) of subsection (6) and subsection
1218 (7) of section 768.28, Florida Statutes, are amended to read:

22-00736A-17

2017986__

1219 768.28 Waiver of sovereign immunity in tort actions;
1220 recovery limits; limitation on attorney fees; statute of
1221 limitations; exclusions; indemnification; risk management
1222 programs.—

1223 (6) (a) An action may not be instituted on a claim against
1224 the state or one of its agencies or subdivisions unless the
1225 claimant presents the claim in writing to the appropriate
1226 agency, and also, except as to any claim against a municipality,
1227 ~~or~~ the Florida Space Authority, or a subdivision of the state,
1228 presents such claim in writing to the Department of Financial
1229 Services, within 3 years after such claim accrues and the
1230 Department of Financial Services or the appropriate agency
1231 denies the claim in writing; except that, if:

1232 1. Such claim is for contribution pursuant to s. 768.31, it
1233 must be so presented within 6 months after the judgment against
1234 the tortfeasor seeking contribution has become final by lapse of
1235 time for appeal or after appellate review or, if there is no
1236 such judgment, within 6 months after the tortfeasor seeking
1237 contribution has either discharged the common liability by
1238 payment or agreed, while the action is pending against her or
1239 him, to discharge the common liability; or

1240 2. Such action is for wrongful death, the claimant must
1241 present the claim in writing to the Department of Financial
1242 Services within 2 years after the claim accrues.

1243 (7) In actions brought pursuant to this section, process
1244 shall be served upon the head of the agency concerned and also,
1245 except as to a defendant municipality, ~~or~~ the Florida Space
1246 Authority, or subdivision of the state, upon the Department of
1247 Financial Services; and the department or the agency concerned

22-00736A-17

2017986__

1248 shall have 30 days within which to plead thereto.

1249 Section 32. Subsections (3) and (4) and paragraph (e) of
1250 subsection (5) of section 288.706, Florida Statutes, are amended
1251 to read:

1252 288.706 Florida Minority Business Loan Mobilization
1253 Program.—

1254 (3) Notwithstanding ss. 215.422(15) and 216.181(16) ~~ss.~~
1255 ~~215.422(14) and 216.181(16)~~, and pursuant to s. 216.351, under
1256 the Florida Minority Business Loan Mobilization Program, a state
1257 agency may disburse up to 10 percent of the base contract award
1258 amount to assist a minority business enterprise vendor that is
1259 awarded a state agency contract for goods or services in
1260 obtaining working capital financing as provided in subsection
1261 (5).

1262 (4) Notwithstanding ss. 215.422(15) and 216.181(16) ~~ss.~~
1263 ~~215.422(14) and 216.181(16)~~, and pursuant to s. 216.351, in lieu
1264 of applying for participation in the Florida Minority Business
1265 Loan Mobilization Program, a minority business enterprise vendor
1266 awarded a state agency contract for the performance of
1267 professional services may apply with that contracting state
1268 agency for up to 5 percent of the base contract award amount.
1269 The contracting state agency may award such advance in order to
1270 facilitate the performance of that contract.

1271 (5) The following Florida Minority Business Loan
1272 Mobilization Program procedures apply to minority business
1273 enterprise vendors for contracts awarded by a state agency for
1274 construction or professional services or for the provision of
1275 goods or services:

1276 (e) The following procedures shall apply when the minority

22-00736A-17

2017986__

1277 business enterprise is the prime contract vendor to the
1278 contracting state agency:

1279 1. Pursuant to s. 216.351, ss. 215.422(15) and 216.181(16)
1280 ~~the provisions of ss. 215.422(14) and 216.181(16)~~ do not apply
1281 to this paragraph.

1282 2. For construction contracts, the designated loan
1283 mobilization payment shall be disbursed when:

1284 a. The minority business enterprise prime contract vendor
1285 requests disbursement in the first application for payment.

1286 b. The contracting state agency has issued a notice to
1287 proceed and has approved the first application for payment.

1288 3. For contracts other than construction contracts, the
1289 designated loan mobilization payment shall be disbursed when:

1290 a. The minority business enterprise prime contract vendor
1291 requests disbursement by letter delivered to the contracting
1292 state agency after the execution of the contract but prior to
1293 the commencement of work.

1294 b. The contracting state agency has approved the minority
1295 business enterprise prime contract vendor's letter of request.

1296 4. The designated loan mobilization payment may be paid by
1297 the contracting state agency prior to the commencement of work.
1298 In order to ensure that the contract time provisions do not
1299 commence until the minority business enterprise prime contract
1300 vendor has adequate working capital, the contract documents may
1301 provide that the contract shall commence at such time as the
1302 contracting state agency releases the designated loan
1303 mobilization payment to the minority business enterprise prime
1304 contract vendor and participating financial institution pursuant
1305 to the working capital agreement.

22-00736A-17

2017986__

1306 Section 33. Section 626.7315, Florida Statutes, is amended
1307 to read:

1308 626.7315 Prohibition against the unlicensed transaction of
1309 general lines insurance.—With respect to any line of authority
1310 as defined in s. 626.015(7) ~~s. 626.015(5)~~, no individual shall,
1311 unless licensed as a general lines agent:

1312 (1) Solicit insurance or procure applications therefor;

1313 (2) In this state, receive or issue a receipt for any money
1314 on account of or for any insurer, or receive or issue a receipt
1315 for money from other persons to be transmitted to any insurer
1316 for a policy, contract, or certificate of insurance or any
1317 renewal thereof, even though the policy, certificate, or
1318 contract is not signed by him or her as agent or representative
1319 of the insurer, except as provided in s. 626.0428(1);

1320 (3) Directly or indirectly represent himself or herself to
1321 be an agent of any insurer or as an agent, to collect or forward
1322 any insurance premium, or to solicit, negotiate, effect,
1323 procure, receive, deliver, or forward, directly or indirectly,
1324 any insurance contract or renewal thereof or any endorsement
1325 relating to an insurance contract, or attempt to effect the
1326 same, of property or insurable business activities or interests,
1327 located in this state;

1328 (4) In this state, engage or hold himself or herself out as
1329 engaging in the business of analyzing or abstracting insurance
1330 policies or of counseling or advising or giving opinions, other
1331 than as a licensed attorney at law, relative to insurance or
1332 insurance contracts, for fee, commission, or other compensation,
1333 other than as a salaried bona fide full-time employee so
1334 counseling and advising his or her employer relative to the

22-00736A-17

2017986__

1335 insurance interests of the employer and of the subsidiaries or
1336 business affiliates of the employer;

1337 (5) In any way, directly or indirectly, make or cause to be
1338 made, or attempt to make or cause to be made, any contract of
1339 insurance for or on account of any insurer;

1340 (6) Solicit, negotiate, or in any way, directly or
1341 indirectly, effect insurance contracts, if a member of a
1342 partnership or association, or a stockholder, officer, or agent
1343 of a corporation which holds an agency appointment from any
1344 insurer; or

1345 (7) Receive or transmit applications for suretyship, or
1346 receive for delivery bonds founded on applications forwarded
1347 from this state, or otherwise procure suretyship to be effected
1348 by a surety insurer upon the bonds of persons in this state or
1349 upon bonds given to persons in this state.

1350 Section 34. Paragraph (c) of subsection (6) of section
1351 627.351, Florida Statutes, is amended to read:

1352 627.351 Insurance risk apportionment plans.—

1353 (6) CITIZENS PROPERTY INSURANCE CORPORATION.—

1354 (c) The corporation's plan of operation:

1355 1. Must provide for adoption of residential property and
1356 casualty insurance policy forms and commercial residential and
1357 nonresidential property insurance forms, which must be approved
1358 by the office before use. The corporation shall adopt the
1359 following policy forms:

1360 a. Standard personal lines policy forms that are
1361 comprehensive multiperil policies providing full coverage of a
1362 residential property equivalent to the coverage provided in the
1363 private insurance market under an HO-3, HO-4, or HO-6 policy.

22-00736A-17

2017986__

1364 b. Basic personal lines policy forms that are policies
1365 similar to an HO-8 policy or a dwelling fire policy that provide
1366 coverage meeting the requirements of the secondary mortgage
1367 market, but which is more limited than the coverage under a
1368 standard policy.

1369 c. Commercial lines residential and nonresidential policy
1370 forms that are generally similar to the basic perils of full
1371 coverage obtainable for commercial residential structures and
1372 commercial nonresidential structures in the admitted voluntary
1373 market.

1374 d. Personal lines and commercial lines residential property
1375 insurance forms that cover the peril of wind only. The forms are
1376 applicable only to residential properties located in areas
1377 eligible for coverage under the coastal account referred to in
1378 sub-subparagraph (b)2.a.

1379 e. Commercial lines nonresidential property insurance forms
1380 that cover the peril of wind only. The forms are applicable only
1381 to nonresidential properties located in areas eligible for
1382 coverage under the coastal account referred to in sub-
1383 subparagraph (b)2.a.

1384 f. The corporation may adopt variations of the policy forms
1385 listed in sub-subparagraphs a.-e. which contain more restrictive
1386 coverage.

1387 g. Effective January 1, 2013, the corporation shall offer a
1388 basic personal lines policy similar to an HO-8 policy with
1389 dwelling repair based on common construction materials and
1390 methods.

1391 2. Must provide that the corporation adopt a program in
1392 which the corporation and authorized insurers enter into quota

22-00736A-17

2017986__

1393 share primary insurance agreements for hurricane coverage, as
1394 defined in s. 627.4025(2) (a), for eligible risks, and adopt
1395 property insurance forms for eligible risks which cover the
1396 peril of wind only.

1397 a. As used in this subsection, the term:

1398 (I) "Quota share primary insurance" means an arrangement in
1399 which the primary hurricane coverage of an eligible risk is
1400 provided in specified percentages by the corporation and an
1401 authorized insurer. The corporation and authorized insurer are
1402 each solely responsible for a specified percentage of hurricane
1403 coverage of an eligible risk as set forth in a quota share
1404 primary insurance agreement between the corporation and an
1405 authorized insurer and the insurance contract. The
1406 responsibility of the corporation or authorized insurer to pay
1407 its specified percentage of hurricane losses of an eligible
1408 risk, as set forth in the agreement, may not be altered by the
1409 inability of the other party to pay its specified percentage of
1410 losses. Eligible risks that are provided hurricane coverage
1411 through a quota share primary insurance arrangement must be
1412 provided policy forms that set forth the obligations of the
1413 corporation and authorized insurer under the arrangement,
1414 clearly specify the percentages of quota share primary insurance
1415 provided by the corporation and authorized insurer, and
1416 conspicuously and clearly state that the authorized insurer and
1417 the corporation may not be held responsible beyond their
1418 specified percentage of coverage of hurricane losses.

1419 (II) "Eligible risks" means personal lines residential and
1420 commercial lines residential risks that meet the underwriting
1421 criteria of the corporation and are located in areas that were

22-00736A-17

2017986__

1422 eligible for coverage by the Florida Windstorm Underwriting
1423 Association on January 1, 2002.

1424 b. The corporation may enter into quota share primary
1425 insurance agreements with authorized insurers at corporation
1426 coverage levels of 90 percent and 50 percent.

1427 c. If the corporation determines that additional coverage
1428 levels are necessary to maximize participation in quota share
1429 primary insurance agreements by authorized insurers, the
1430 corporation may establish additional coverage levels. However,
1431 the corporation's quota share primary insurance coverage level
1432 may not exceed 90 percent.

1433 d. Any quota share primary insurance agreement entered into
1434 between an authorized insurer and the corporation must provide
1435 for a uniform specified percentage of coverage of hurricane
1436 losses, by county or territory as set forth by the corporation
1437 board, for all eligible risks of the authorized insurer covered
1438 under the agreement.

1439 e. Any quota share primary insurance agreement entered into
1440 between an authorized insurer and the corporation is subject to
1441 review and approval by the office. However, such agreement shall
1442 be authorized only as to insurance contracts entered into
1443 between an authorized insurer and an insured who is already
1444 insured by the corporation for wind coverage.

1445 f. For all eligible risks covered under quota share primary
1446 insurance agreements, the exposure and coverage levels for both
1447 the corporation and authorized insurers shall be reported by the
1448 corporation to the Florida Hurricane Catastrophe Fund. For all
1449 policies of eligible risks covered under such agreements, the
1450 corporation and the authorized insurer must maintain complete

22-00736A-17

2017986__

1451 and accurate records for the purpose of exposure and loss
1452 reimbursement audits as required by fund rules. The corporation
1453 and the authorized insurer shall each maintain duplicate copies
1454 of policy declaration pages and supporting claims documents.

1455 g. The corporation board shall establish in its plan of
1456 operation standards for quota share agreements which ensure that
1457 there is no discriminatory application among insurers as to the
1458 terms of the agreements, pricing of the agreements, incentive
1459 provisions if any, and consideration paid for servicing policies
1460 or adjusting claims.

1461 h. The quota share primary insurance agreement between the
1462 corporation and an authorized insurer must set forth the
1463 specific terms under which coverage is provided, including, but
1464 not limited to, the sale and servicing of policies issued under
1465 the agreement by the insurance agent of the authorized insurer
1466 producing the business, the reporting of information concerning
1467 eligible risks, the payment of premium to the corporation, and
1468 arrangements for the adjustment and payment of hurricane claims
1469 incurred on eligible risks by the claims adjuster and personnel
1470 of the authorized insurer. Entering into a quota sharing
1471 insurance agreement between the corporation and an authorized
1472 insurer is voluntary and at the discretion of the authorized
1473 insurer.

1474 3. May provide that the corporation may employ or otherwise
1475 contract with individuals or other entities to provide
1476 administrative or professional services that may be appropriate
1477 to effectuate the plan. The corporation may borrow funds by
1478 issuing bonds or by incurring other indebtedness, and shall have
1479 other powers reasonably necessary to effectuate the requirements

22-00736A-17

2017986__

1480 of this subsection, including, without limitation, the power to
1481 issue bonds and incur other indebtedness in order to refinance
1482 outstanding bonds or other indebtedness. The corporation may
1483 seek judicial validation of its bonds or other indebtedness
1484 under chapter 75. The corporation may issue bonds or incur other
1485 indebtedness, or have bonds issued on its behalf by a unit of
1486 local government pursuant to subparagraph (q)2. in the absence
1487 of a hurricane or other weather-related event, upon a
1488 determination by the corporation, subject to approval by the
1489 office, that such action would enable it to efficiently meet the
1490 financial obligations of the corporation and that such
1491 financings are reasonably necessary to effectuate the
1492 requirements of this subsection. The corporation may take all
1493 actions needed to facilitate tax-free status for such bonds or
1494 indebtedness, including formation of trusts or other affiliated
1495 entities. The corporation may pledge assessments, projected
1496 recoveries from the Florida Hurricane Catastrophe Fund, other
1497 reinsurance recoverables, policyholder surcharges and other
1498 surcharges, and other funds available to the corporation as
1499 security for bonds or other indebtedness. In recognition of s.
1500 10, Art. I of the State Constitution, prohibiting the impairment
1501 of obligations of contracts, it is the intent of the Legislature
1502 that no action be taken whose purpose is to impair any bond
1503 indenture or financing agreement or any revenue source committed
1504 by contract to such bond or other indebtedness.

1505 4. Must require that the corporation operate subject to the
1506 supervision and approval of a board of governors consisting of
1507 nine individuals who are residents of this state and who are
1508 from different geographical areas of the state, one of whom is

22-00736A-17

2017986__

1509 appointed by the Governor and serves solely to advocate on
1510 behalf of the consumer. The appointment of a consumer
1511 representative by the Governor is deemed to be within the scope
1512 of the exemption provided in s. 112.313(7)(b) and is in addition
1513 to the appointments authorized under sub-subparagraph a.

1514 a. The Governor, the Chief Financial Officer, the President
1515 of the Senate, and the Speaker of the House of Representatives
1516 shall each appoint two members of the board. At least one of the
1517 two members appointed by each appointing officer must have
1518 demonstrated expertise in insurance and be deemed to be within
1519 the scope of the exemption provided in s. 112.313(7)(b). The
1520 Chief Financial Officer shall designate one of the appointees as
1521 chair. All board members serve at the pleasure of the appointing
1522 officer. All members of the board are subject to removal at will
1523 by the officers who appointed them. All board members, including
1524 the chair, must be appointed to serve for 3-year terms beginning
1525 annually on a date designated by the plan. However, for the
1526 first term beginning on or after July 1, 2009, each appointing
1527 officer shall appoint one member of the board for a 2-year term
1528 and one member for a 3-year term. A board vacancy shall be
1529 filled for the unexpired term by the appointing officer. The
1530 Chief Financial Officer shall appoint a technical advisory group
1531 to provide information and advice to the board in connection
1532 with the board's duties under this subsection. The executive
1533 director and senior managers of the corporation shall be engaged
1534 by the board and serve at the pleasure of the board. Any
1535 executive director appointed on or after July 1, 2006, is
1536 subject to confirmation by the Senate. The executive director is
1537 responsible for employing other staff as the corporation may

22-00736A-17

2017986__

1538 require, subject to review and concurrence by the board.

1539 b. The board shall create a Market Accountability Advisory
1540 Committee to assist the corporation in developing awareness of
1541 its rates and its customer and agent service levels in
1542 relationship to the voluntary market insurers writing similar
1543 coverage.

1544 (I) The members of the advisory committee consist of the
1545 following 11 persons, one of whom must be elected chair by the
1546 members of the committee: four representatives, one appointed by
1547 the Florida Association of Insurance Agents, one by the Florida
1548 Association of Insurance and Financial Advisors, one by the
1549 Professional Insurance Agents of Florida, and one by the Latin
1550 American Association of Insurance Agencies; three
1551 representatives appointed by the insurers with the three highest
1552 voluntary market share of residential property insurance
1553 business in the state; one representative from the Office of
1554 Insurance Regulation; one consumer appointed by the board who is
1555 insured by the corporation at the time of appointment to the
1556 committee; one representative appointed by the Florida
1557 Association of Realtors; and one representative appointed by the
1558 Florida Bankers Association. All members shall be appointed to
1559 3-year terms and may serve for consecutive terms.

1560 (II) The committee shall report to the corporation at each
1561 board meeting on insurance market issues which may include rates
1562 and rate competition with the voluntary market; service,
1563 including policy issuance, claims processing, and general
1564 responsiveness to policyholders, applicants, and agents; and
1565 matters relating to depopulation.

1566 5. Must provide a procedure for determining the eligibility

22-00736A-17

2017986__

1567 of a risk for coverage, as follows:

1568 a. Subject to s. 627.3517, with respect to personal lines
1569 residential risks, if the risk is offered coverage from an
1570 authorized insurer at the insurer's approved rate under a
1571 standard policy including wind coverage or, if consistent with
1572 the insurer's underwriting rules as filed with the office, a
1573 basic policy including wind coverage, for a new application to
1574 the corporation for coverage, the risk is not eligible for any
1575 policy issued by the corporation unless the premium for coverage
1576 from the authorized insurer is more than 15 percent greater than
1577 the premium for comparable coverage from the corporation.

1578 Whenever an offer of coverage for a personal lines residential
1579 risk is received for a policyholder of the corporation at
1580 renewal from an authorized insurer, if the offer is equal to or
1581 less than the corporation's renewal premium for comparable
1582 coverage, the risk is not eligible for coverage with the
1583 corporation. If the risk is not able to obtain such offer, the
1584 risk is eligible for a standard policy including wind coverage
1585 or a basic policy including wind coverage issued by the
1586 corporation; however, if the risk could not be insured under a
1587 standard policy including wind coverage regardless of market
1588 conditions, the risk is eligible for a basic policy including
1589 wind coverage unless rejected under subparagraph 8. However, a
1590 policyholder removed from the corporation through an assumption
1591 agreement remains eligible for coverage from the corporation
1592 until the end of the assumption period. The corporation shall
1593 determine the type of policy to be provided on the basis of
1594 objective standards specified in the underwriting manual and
1595 based on generally accepted underwriting practices.

22-00736A-17

2017986__

1596 (I) If the risk accepts an offer of coverage through the
1597 market assistance plan or through a mechanism established by the
1598 corporation other than a plan established by s. 627.3518, before
1599 a policy is issued to the risk by the corporation or during the
1600 first 30 days of coverage by the corporation, and the producing
1601 agent who submitted the application to the plan or to the
1602 corporation is not currently appointed by the insurer, the
1603 insurer shall:

1604 (A) Pay to the producing agent of record of the policy for
1605 the first year, an amount that is the greater of the insurer's
1606 usual and customary commission for the type of policy written or
1607 a fee equal to the usual and customary commission of the
1608 corporation; or

1609 (B) Offer to allow the producing agent of record of the
1610 policy to continue servicing the policy for at least 1 year and
1611 offer to pay the agent the greater of the insurer's or the
1612 corporation's usual and customary commission for the type of
1613 policy written.

1614
1615 If the producing agent is unwilling or unable to accept
1616 appointment, the new insurer shall pay the agent in accordance
1617 with sub-sub-sub-subparagraph (A).

1618 (II) If the corporation enters into a contractual agreement
1619 for a take-out plan, the producing agent of record of the
1620 corporation policy is entitled to retain any unearned commission
1621 on the policy, and the insurer shall:

1622 (A) Pay to the producing agent of record, for the first
1623 year, an amount that is the greater of the insurer's usual and
1624 customary commission for the type of policy written or a fee

22-00736A-17

2017986__

1625 equal to the usual and customary commission of the corporation;
1626 or

1627 (B) Offer to allow the producing agent of record to
1628 continue servicing the policy for at least 1 year and offer to
1629 pay the agent the greater of the insurer's or the corporation's
1630 usual and customary commission for the type of policy written.

1631
1632 If the producing agent is unwilling or unable to accept
1633 appointment, the new insurer shall pay the agent in accordance
1634 with sub-sub-sub-subparagraph (A).

1635 b. With respect to commercial lines residential risks, for
1636 a new application to the corporation for coverage, if the risk
1637 is offered coverage under a policy including wind coverage from
1638 an authorized insurer at its approved rate, the risk is not
1639 eligible for a policy issued by the corporation unless the
1640 premium for coverage from the authorized insurer is more than 15
1641 percent greater than the premium for comparable coverage from
1642 the corporation. Whenever an offer of coverage for a commercial
1643 lines residential risk is received for a policyholder of the
1644 corporation at renewal from an authorized insurer, if the offer
1645 is equal to or less than the corporation's renewal premium for
1646 comparable coverage, the risk is not eligible for coverage with
1647 the corporation. If the risk is not able to obtain any such
1648 offer, the risk is eligible for a policy including wind coverage
1649 issued by the corporation. However, a policyholder removed from
1650 the corporation through an assumption agreement remains eligible
1651 for coverage from the corporation until the end of the
1652 assumption period.

1653 (I) If the risk accepts an offer of coverage through the

22-00736A-17

2017986__

1654 market assistance plan or through a mechanism established by the
1655 corporation other than a plan established by s. 627.3518, before
1656 a policy is issued to the risk by the corporation or during the
1657 first 30 days of coverage by the corporation, and the producing
1658 agent who submitted the application to the plan or the
1659 corporation is not currently appointed by the insurer, the
1660 insurer shall:

1661 (A) Pay to the producing agent of record of the policy, for
1662 the first year, an amount that is the greater of the insurer's
1663 usual and customary commission for the type of policy written or
1664 a fee equal to the usual and customary commission of the
1665 corporation; or

1666 (B) Offer to allow the producing agent of record of the
1667 policy to continue servicing the policy for at least 1 year and
1668 offer to pay the agent the greater of the insurer's or the
1669 corporation's usual and customary commission for the type of
1670 policy written.

1671
1672 If the producing agent is unwilling or unable to accept
1673 appointment, the new insurer shall pay the agent in accordance
1674 with sub-sub-sub-subparagraph (A).

1675 (II) If the corporation enters into a contractual agreement
1676 for a take-out plan, the producing agent of record of the
1677 corporation policy is entitled to retain any unearned commission
1678 on the policy, and the insurer shall:

1679 (A) Pay to the producing agent of record, for the first
1680 year, an amount that is the greater of the insurer's usual and
1681 customary commission for the type of policy written or a fee
1682 equal to the usual and customary commission of the corporation;

22-00736A-17

2017986__

1683 or

1684 (B) Offer to allow the producing agent of record to
1685 continue servicing the policy for at least 1 year and offer to
1686 pay the agent the greater of the insurer's or the corporation's
1687 usual and customary commission for the type of policy written.

1688
1689 If the producing agent is unwilling or unable to accept
1690 appointment, the new insurer shall pay the agent in accordance
1691 with sub-sub-sub-subparagraph (A).

1692 c. For purposes of determining comparable coverage under
1693 sub-subparagraphs a. and b., the comparison must be based on
1694 those forms and coverages that are reasonably comparable. The
1695 corporation may rely on a determination of comparable coverage
1696 and premium made by the producing agent who submits the
1697 application to the corporation, made in the agent's capacity as
1698 the corporation's agent. A comparison may be made solely of the
1699 premium with respect to the main building or structure only on
1700 the following basis: the same coverage A or other building
1701 limits; the same percentage hurricane deductible that applies on
1702 an annual basis or that applies to each hurricane for commercial
1703 residential property; the same percentage of ordinance and law
1704 coverage, if the same limit is offered by both the corporation
1705 and the authorized insurer; the same mitigation credits, to the
1706 extent the same types of credits are offered both by the
1707 corporation and the authorized insurer; the same method for loss
1708 payment, such as replacement cost or actual cash value, if the
1709 same method is offered both by the corporation and the
1710 authorized insurer in accordance with underwriting rules; and
1711 any other form or coverage that is reasonably comparable as

22-00736A-17

2017986__

1712 determined by the board. If an application is submitted to the
1713 corporation for wind-only coverage in the coastal account, the
1714 premium for the corporation's wind-only policy plus the premium
1715 for the ex-wind policy that is offered by an authorized insurer
1716 to the applicant must be compared to the premium for multiperil
1717 coverage offered by an authorized insurer, subject to the
1718 standards for comparison specified in this subparagraph. If the
1719 corporation or the applicant requests from the authorized
1720 insurer a breakdown of the premium of the offer by types of
1721 coverage so that a comparison may be made by the corporation or
1722 its agent and the authorized insurer refuses or is unable to
1723 provide such information, the corporation may treat the offer as
1724 not being an offer of coverage from an authorized insurer at the
1725 insurer's approved rate.

1726 6. Must include rules for classifications of risks and
1727 rates.

1728 7. Must provide that if premium and investment income for
1729 an account attributable to a particular calendar year are in
1730 excess of projected losses and expenses for the account
1731 attributable to that year, such excess shall be held in surplus
1732 in the account. Such surplus must be available to defray
1733 deficits in that account as to future years and used for that
1734 purpose before assessing assessable insurers and assessable
1735 insureds as to any calendar year.

1736 8. Must provide objective criteria and procedures to be
1737 uniformly applied to all applicants in determining whether an
1738 individual risk is so hazardous as to be uninsurable. In making
1739 this determination and in establishing the criteria and
1740 procedures, the following must be considered:

22-00736A-17

2017986__

1741 a. Whether the likelihood of a loss for the individual risk
1742 is substantially higher than for other risks of the same class;
1743 and

1744 b. Whether the uncertainty associated with the individual
1745 risk is such that an appropriate premium cannot be determined.

1746

1747 The acceptance or rejection of a risk by the corporation shall
1748 be construed as the private placement of insurance, and the
1749 provisions of chapter 120 do not apply.

1750 9. Must provide that the corporation make its best efforts
1751 to procure catastrophe reinsurance at reasonable rates, to cover
1752 its projected 100-year probable maximum loss as determined by
1753 the board of governors.

1754 10. The policies issued by the corporation must provide
1755 that if the corporation or the market assistance plan obtains an
1756 offer from an authorized insurer to cover the risk at its
1757 approved rates, the risk is no longer eligible for renewal
1758 through the corporation, except as otherwise provided in this
1759 subsection.

1760 11. Corporation policies and applications must include a
1761 notice that the corporation policy could, under this section, be
1762 replaced with a policy issued by an authorized insurer which
1763 does not provide coverage identical to the coverage provided by
1764 the corporation. The notice must also specify that acceptance of
1765 corporation coverage creates a conclusive presumption that the
1766 applicant or policyholder is aware of this potential.

1767 12. May establish, subject to approval by the office,
1768 different eligibility requirements and operational procedures
1769 for any line or type of coverage for any specified county or

22-00736A-17

2017986__

1770 area if the board determines that such changes are justified due
1771 to the voluntary market being sufficiently stable and
1772 competitive in such area or for such line or type of coverage
1773 and that consumers who, in good faith, are unable to obtain
1774 insurance through the voluntary market through ordinary methods
1775 continue to have access to coverage from the corporation. If
1776 coverage is sought in connection with a real property transfer,
1777 the requirements and procedures may not provide an effective
1778 date of coverage later than the date of the closing of the
1779 transfer as established by the transferor, the transferee, and,
1780 if applicable, the lender.

1781 13. Must provide that, with respect to the coastal account,
1782 any assessable insurer with a surplus as to policyholders of \$25
1783 million or less writing 25 percent or more of its total
1784 countrywide property insurance premiums in this state may
1785 petition the office, within the first 90 days of each calendar
1786 year, to qualify as a limited apportionment company. A regular
1787 assessment levied by the corporation on a limited apportionment
1788 company for a deficit incurred by the corporation for the
1789 coastal account may be paid to the corporation on a monthly
1790 basis as the assessments are collected by the limited
1791 apportionment company from its insureds, but a limited
1792 apportionment company must begin collecting the regular
1793 assessments not later than 90 days after the regular assessments
1794 are levied by the corporation, and the regular assessments must
1795 be paid in full within 15 months after being levied by the
1796 corporation. A limited apportionment company shall collect from
1797 its policyholders any emergency assessment imposed under sub-
1798 subparagraph (b)3.d. The plan must provide that, if the office

22-00736A-17

2017986__

1799 determines that any regular assessment will result in an
1800 impairment of the surplus of a limited apportionment company,
1801 the office may direct that all or part of such assessment be
1802 deferred as provided in subparagraph (q)4. However, an emergency
1803 assessment to be collected from policyholders under sub-
1804 subparagraph (b)3.d. may not be limited or deferred.

1805 14. Must provide that the corporation appoint as its
1806 licensed agents only those agents who throughout such
1807 appointments also hold an appointment as defined in s. 626.015
1808 ~~s. 626.015(3)~~ by an insurer who is authorized to write and is
1809 actually writing or renewing personal lines residential property
1810 coverage, commercial residential property coverage, or
1811 commercial nonresidential property coverage within the state.

1812 15. Must provide a premium payment plan option to its
1813 policyholders which, at a minimum, allows for quarterly and
1814 semiannual payment of premiums. A monthly payment plan may, but
1815 is not required to, be offered.

1816 16. Must limit coverage on mobile homes or manufactured
1817 homes built before 1994 to actual cash value of the dwelling
1818 rather than replacement costs of the dwelling.

1819 17. Must provide coverage for manufactured or mobile home
1820 dwellings. Such coverage must also include the following
1821 attached structures:

1822 a. Screened enclosures that are aluminum framed or screened
1823 enclosures that are not covered by the same or substantially the
1824 same materials as those of the primary dwelling;

1825 b. Carports that are aluminum or carports that are not
1826 covered by the same or substantially the same materials as those
1827 of the primary dwelling; and

22-00736A-17

2017986__

1828 c. Patios that have a roof covering that is constructed of
1829 materials that are not the same or substantially the same
1830 materials as those of the primary dwelling.

1831
1832 The corporation shall make available a policy for mobile homes
1833 or manufactured homes for a minimum insured value of at least
1834 \$3,000.

1835 18. May provide such limits of coverage as the board
1836 determines, consistent with the requirements of this subsection.

1837 19. May require commercial property to meet specified
1838 hurricane mitigation construction features as a condition of
1839 eligibility for coverage.

1840 20. Must provide that new or renewal policies issued by the
1841 corporation on or after January 1, 2012, which cover sinkhole
1842 loss do not include coverage for any loss to appurtenant
1843 structures, driveways, sidewalks, decks, or patios that are
1844 directly or indirectly caused by sinkhole activity. The
1845 corporation shall exclude such coverage using a notice of
1846 coverage change, which may be included with the policy renewal,
1847 and not by issuance of a notice of nonrenewal of the excluded
1848 coverage upon renewal of the current policy.

1849 21. As of January 1, 2012, must require that the agent
1850 obtain from an applicant for coverage from the corporation an
1851 acknowledgment signed by the applicant, which includes, at a
1852 minimum, the following statement:

1853
1854 ACKNOWLEDGMENT OF POTENTIAL SURCHARGE
1855 AND ASSESSMENT LIABILITY:
1856

22-00736A-17

2017986__

1857 1. AS A POLICYHOLDER OF CITIZENS PROPERTY INSURANCE
1858 CORPORATION, I UNDERSTAND THAT IF THE CORPORATION SUSTAINS A
1859 DEFICIT AS A RESULT OF HURRICANE LOSSES OR FOR ANY OTHER REASON,
1860 MY POLICY COULD BE SUBJECT TO SURCHARGES, WHICH WILL BE DUE AND
1861 PAYABLE UPON RENEWAL, CANCELLATION, OR TERMINATION OF THE
1862 POLICY, AND THAT THE SURCHARGES COULD BE AS HIGH AS 45 PERCENT
1863 OF MY PREMIUM, OR A DIFFERENT AMOUNT AS IMPOSED BY THE FLORIDA
1864 LEGISLATURE.

1865 2. I UNDERSTAND THAT I CAN AVOID THE CITIZENS POLICYHOLDER
1866 SURCHARGE, WHICH COULD BE AS HIGH AS 45 PERCENT OF MY PREMIUM,
1867 BY OBTAINING COVERAGE FROM A PRIVATE MARKET INSURER AND THAT TO
1868 BE ELIGIBLE FOR COVERAGE BY CITIZENS, I MUST FIRST TRY TO OBTAIN
1869 PRIVATE MARKET COVERAGE BEFORE APPLYING FOR OR RENEWING COVERAGE
1870 WITH CITIZENS. I UNDERSTAND THAT PRIVATE MARKET INSURANCE RATES
1871 ARE REGULATED AND APPROVED BY THE STATE.

1872 3. I UNDERSTAND THAT I MAY BE SUBJECT TO EMERGENCY
1873 ASSESSMENTS TO THE SAME EXTENT AS POLICYHOLDERS OF OTHER
1874 INSURANCE COMPANIES, OR A DIFFERENT AMOUNT AS IMPOSED BY THE
1875 FLORIDA LEGISLATURE.

1876 4. I ALSO UNDERSTAND THAT CITIZENS PROPERTY INSURANCE
1877 CORPORATION IS NOT SUPPORTED BY THE FULL FAITH AND CREDIT OF THE
1878 STATE OF FLORIDA.

1879
1880 a. The corporation shall maintain, in electronic format or
1881 otherwise, a copy of the applicant's signed acknowledgment and
1882 provide a copy of the statement to the policyholder as part of
1883 the first renewal after the effective date of this subparagraph.

1884 b. The signed acknowledgment form creates a conclusive
1885 presumption that the policyholder understood and accepted his or

22-00736A-17

2017986__

1886 her potential surcharge and assessment liability as a
1887 policyholder of the corporation.

1888 Section 35. This act shall take effect July 1, 2017.