

By the Appropriations Committee on Agriculture, Environment, and General Government; the Committee on Banking and Insurance; and Senator DiCeglie

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1 A bill to be entitled
2 An act relating to consumer protection; amending s.
3 494.001, F.S.; revising the definition of the term
4 "branch office"; defining the term "remote location";
5 authorizing a licensee under ch. 494, F.S., to allow
6 loan originators to work from remote locations if
7 specified conditions are met; amending s. 494.0067,
8 F.S.; specifying that mortgage lenders may transact
9 business from branch offices and remote locations;
10 providing a requirement for operating remote
11 locations; creating s. 501.2042, F.S.; defining terms;
12 providing requirements for crowd-funding platforms and
13 organizers of crowd-funding campaigns related to and
14 arising out of declared disasters; amending s. 520.23,
15 F.S.; revising disclosure requirements for agreements
16 governing the sale or lease of a distributed energy
17 generation system; amending s. 560.111, F.S.;
18 providing a criminal penalty; amending s. 560.309,
19 F.S.; prohibiting a licensee under ch. 560, F.S., from
20 cashing corporate checks for certain payees where the
21 aggregate face amount exceeds a specified amount;
22 amending s. 626.602, F.S.; providing applicability of
23 provisions relating to the disapproval of insurance
24 agency names to adjusting firm names; revising grounds
25 on which such names may be disapproved by the
26 Department of Financial Services; deleting an obsolete
27 provision; amending s. 626.854, F.S.; revising the
28 definition of the term "public adjuster"; specifying
29 restrictions on public adjusters contracting their

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30 adjuster services after a specified date; specifying
31 requirements for the payment of certain fees;
32 specifying timeframes in which an insured or a
33 claimant may cancel a public adjuster's contract
34 without penalty or contract under certain
35 circumstances; revising requirements for public
36 adjusters' contracts; specifying additional
37 limitations on things of value received by public
38 adjusters; amending s. 626.860, F.S.; providing that
39 an attorney's exemption from public adjuster licensure
40 requirements does not apply to certain persons;
41 amending s. 626.875, F.S.; revising recordkeeping
42 requirements for appointed independent adjusters and
43 licensed public adjusters; amending s. 626.8796, F.S.;
44 revising requirements for public adjuster contracts;
45 specifying requirements for and prohibitions on public
46 adjusters relating to such contracts; providing
47 construction; authorizing the department to adopt
48 rules; amending s. 626.8797, F.S.; revising a fraud
49 statement requirement in proof-of-loss statements;
50 amending s. 626.9541, F.S.; adding an unfair or
51 deceptive insurance act relating to health insurance
52 policies; amending s. 627.4025, F.S.; revising the
53 definition of the term "hurricane," and defining the
54 term "hurricane deductible," as used in policies
55 providing residential coverage; amending s. 627.4133,
56 F.S.; revising conditions that apply to a specified
57 notice requirement for, and a limitation on, the
58 cancellation or termination of certain insurance

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59 policies; amending s. 627.4554, F.S.; revising
60 legislative purpose; revising applicability; revising
61 and defining terms; revising and specifying duties of
62 insurers and agents relating to the recommendation and
63 sale of annuity investments; specifying comparable
64 standards that comply with such requirements;
65 specifying agent training requirements; providing and
66 revising construction; authorizing the department to
67 adopt certain forms by rule; amending s. 627.70132,
68 F.S.; specifying the period in which notices of loss
69 assessment claims under residential condominium unit
70 owner coverage must be given to the insurer; amending
71 s. 634.041, F.S.; specifying authorized methods by
72 which contractual liability insurance policies of
73 service agreement companies may pay claims; amending
74 s. 634.401, F.S.; revising the definition of the term
75 "manufacturer" for purposes of part III of ch. 634,
76 F.S.; amending s. 634.406, F.S.; deleting a debt
77 obligation rating requirement for certain service
78 warranty associations or parent corporations;
79 providing effective dates.

80

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

82

83 Section 1. Present subsections (35) through (38) of section
84 494.001, Florida Statutes, are redesignated as subsections (36)
85 through (39), respectively, a new subsection (35) is added to
86 that section, and subsection (3) of that section is amended, to
87 read:

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88 494.001 Definitions.—As used in this chapter, the term:

89 (3) "Branch office" means a location, other than a mortgage
90 broker's or mortgage lender's principal place of business or
91 remote location:

92 (a) The address of which appears on business cards,
93 stationery, or advertising used by the licensee in connection
94 with business conducted under this chapter;

95 (b) At which the licensee's name, advertising or
96 promotional materials, or signage suggests that mortgage loans
97 are originated, negotiated, funded, or serviced; or

98 (c) At which mortgage loans are originated, negotiated,
99 funded, or serviced by a licensee.

100 (35) "Remote location" means a location, other than a
101 principal place of business or a branch office, at which a loan
102 originator of a licensee may conduct business. A licensee may
103 allow loan originators to work from remote locations if:

104 (a) The licensee has written policies and procedures for
105 supervision of loan originators working from remote locations.

106 (b) Access to company platforms and customer information is
107 in accordance with the licensee's comprehensive written
108 information security plan.

109 (c) An in-person customer interaction does not occur at a
110 loan originator's residence unless such residence is a licensed
111 location.

112 (d) Physical records are not maintained at a remote
113 location.

114 (e) Customer interactions and conversations about consumers
115 will be in compliance with federal and state information
116 security requirements, including applicable provisions under the

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117 Gramm-Leach-Bliley Act and the Safeguards Rule established by
118 the Federal Trade Commission, set forth at 16 C.F.R. part 314,
119 as such requirements may be amended from time to time.

120 (f) A loan originator working at a remote location accesses
121 the company's secure systems or documents, including a cloud-
122 based system, directly from any out-of-office device such as a
123 laptop, phone, desktop computer, or tablet, through a virtual
124 private network or system that ensures secure connectivity and
125 that requires passwords or other forms of authentication to
126 access.

127 (g) The licensee ensures that appropriate security updates,
128 patches, or other alterations to the security of all devices
129 used at remote locations are installed and maintained.

130 (h) The licensee is able to remotely lock or erase company-
131 related contents of any device or otherwise remotely limit all
132 access to a company's secure systems.

133 (i) The registry's record of a loan originator who works
134 from a remote location designates the principal place of
135 business as the loan originator's registered location, or the
136 loan originator has elected a licensed branch office as a
137 registered location.

138 Section 2. Subsection (1) of section 494.0067, Florida
139 Statutes, is amended to read:

140 494.0067 Requirements of mortgage lenders.—

141 (1) A mortgage lender that makes mortgage loans on real
142 estate in this state shall transact business from a principal
143 place of business, branch office, or remote location. Each
144 principal place of business, ~~and each~~ branch office, and remote
145 location shall be operated under the full charge, control, and

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146 supervision of the licensee pursuant to this part.

147 Section 3. Section 501.2042, Florida Statutes, is created
148 to read:

149 501.2042 Unlawful acts and practices by online crowd-
150 funding campaigns.-

151 (1) As used in this section, the term:

152 (a) "Crowd-funding campaign" means an online fundraising
153 initiative that is intended to receive monetary donations from
154 donors and is created by an organizer in the interest of a
155 beneficiary.

156 (b) "Crowd-funding platform" means an entity doing business
157 in this state which provides an online medium for the creation
158 and facilitation of a crowd-funding campaign.

159 (c) "Disaster" has the same meaning as in s. 252.34(2).

160 (d) "Organizer" means a person who:

- 161 1. Resides or is domiciled in this state; and
162 2. Has an account on a crowd-funding platform and has
163 created a crowd-funding campaign either as a beneficiary or on
164 behalf of a beneficiary, regardless of whether the beneficiary
165 or the crowd-funding campaign has received donations.

166 (2) For crowd-funding campaigns related to and arising out
167 of a declared disaster, a crowd-funding platform must:

168 (a) Collect and retain, for one year after the date of the
169 declared disaster, the name, e-mail address, phone number, and
170 state of residence of the organizer.

171 (b) Require the organizer to indicate, on the crowd-funding
172 campaign, the state in which they are located.

173 (c) Cooperate with any investigation by or in partnership
174 with law enforcement.

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175 (d) Clearly display and direct donors to fundraisers that
176 comply with the crowd-funding platform's terms of service.

177 (3) When an organizer arranges a crowd-funding campaign
178 related to and arising out of a declared disaster, the organizer
179 must attest that:

180 (a) All information provided in connection with a crowd-
181 funding campaign is accurate, complete, and not likely to
182 deceive users.

183 (b) All donations contributed to the crowd-funding campaign
184 will be used solely as described in the materials the organizer
185 posts or provides on the crowd-funding platform.

186 Section 4. Section 520.23, Florida Statutes, is amended to
187 read:

188 520.23 Disclosures required.—Each agreement governing the
189 sale or lease of a distributed energy generation system shall,
190 at a minimum, include a written statement printed in at least
191 12-point type that is separate from the agreement, is separately
192 acknowledged by the buyer or lessee, and includes the following
193 information and disclosures, if applicable:

194 (1) The name, address, telephone number, and e-mail address
195 of the buyer or lessee.

196 (2) The name, address, telephone number, e-mail address,
197 and valid state contractor license number of the person
198 responsible for installing the distributed energy generation
199 system.

200 (3) The name, address, telephone number, e-mail address,
201 and valid state contractor license number of the distributed
202 energy generation system maintenance provider, if different from
203 the person responsible for installing the distributed energy

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204 generation system.

205 (4) The customer contact center phone number for the
206 Department of Business and Professional Regulation.

207 (5)~~(4)~~ A written statement indicating whether the
208 distributed energy generation system is being purchased or
209 leased.

210 (a) If the distributed energy generation system will be
211 leased, the written statement must include a disclosure in
212 substantially the following form: "You are entering into an
213 agreement to lease a distributed energy generation system. You
214 will lease (not own) the system installed on your property."

215 (b) If the distributed energy generation system will be
216 purchased, the written statement must include a disclosure in
217 substantially the following form: "You are entering into an
218 agreement to purchase a distributed energy generation system.
219 You will own (not lease) the system installed on your property."

220 (6)~~(5)~~ The total cost to be paid by the buyer or lessee,
221 including any interest, installation fees, document preparation
222 fees, service fees, or other fees.

223 (7)~~(6)~~ A payment schedule, including any amounts owed at
224 contract signing, at the commencement of installation, at the
225 completion of installation, and any final payments. If the
226 distributed energy generation system is being leased, the
227 written statement must include the frequency and amount of each
228 payment due under the lease and the total estimated lease
229 payments over the term of the lease.

230 (8)~~(7)~~ Each state or federal tax incentive or rebate, if
231 any, relied upon by the seller in determining the price of the
232 distributed energy generation system.

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233 (9)~~(8)~~ A description of the assumptions used to calculate
234 any savings estimates provided to the buyer or lessee, and if
235 such estimates are provided, a statement in substantially the
236 following form: "It is important to understand that future
237 electric utility rates are estimates only. Your future electric
238 utility rates may vary."

239 (10)~~(9)~~ A description of any one-time or recurring fees,
240 including, but not limited to, estimated system removal fees,
241 maintenance fees, Internet connection fees, and automated
242 clearinghouse fees. If late fees may apply, the description must
243 describe the circumstances triggering such late fees.

244 (11)~~(10)~~ A statement notifying the buyer whether the
245 distributed energy generation system is being financed and, if
246 so, a statement in substantially the following form: "If your
247 system is financed, carefully read any agreements and/or
248 disclosure forms provided by your lender. This statement does
249 not contain the terms of your financing agreement. If you have
250 any questions about your financing agreement, contact your
251 finance provider before signing a contract."

252 (12)~~(11)~~ A statement notifying the buyer whether the seller
253 is assisting in arranging financing of the distributed energy
254 generation system and, if so, a statement in substantially the
255 following form: "If your system is financed, carefully read any
256 agreements and/or disclosure forms provided by your lender. This
257 statement does not contain the terms of your financing
258 agreement. If you have any questions about your financing
259 agreement, contact your finance provider before signing a
260 contract."

261 (13)~~(12)~~ A provision notifying the buyer or lessee of the

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262 right to rescind the agreement for a period of at least 3
263 business days after the agreement is signed. This subsection
264 does not apply to a contract to sell or lease a distributed
265 energy generation system in a solar community in which the
266 entire community has been marketed as a solar community and all
267 of the homes in the community are intended to have a distributed
268 energy generation system, or a solar community in which the
269 developer has incorporated solar technology for purposes of
270 meeting the Florida Building Code in s. 553.73.

271 (14)~~(13)~~ A description of the distributed energy generation
272 system design assumptions, including the make and model of the
273 major components, system size, estimated first-year energy
274 production, and estimated annual energy production decreases,
275 including the overall percentage degradation over the estimated
276 life of the distributed energy generation system, and the status
277 of utility compensation for excess energy generated by the
278 system at the time of contract signing. A seller who provides a
279 warranty or guarantee of the energy production output of the
280 distributed energy generation system may provide a description
281 of such warranty or guarantee in lieu of a description of the
282 system design and components.

283 (15)~~(14)~~ A description of any performance or production
284 guarantees.

285 (16)~~(15)~~ A description of the ownership and transferability
286 of any tax credits, rebates, incentives, or renewable energy
287 certificates associated with the distributed energy generation
288 system, including a disclosure as to whether the seller will
289 assign or sell any associated renewable energy certificates to a
290 third party.

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291 (17)~~(16)~~ A statement in substantially the following form:
292 "You are responsible for property taxes on property you own.
293 Consult a tax professional to understand any tax liability or
294 eligibility for any tax credits that may result from the
295 purchase of your distributed energy generation system."

296 (18)~~(17)~~ The approximate start and completion dates for the
297 installation of the distributed energy generation system.

298 (19)~~(18)~~ A disclosure as to whether maintenance and repairs
299 of the distributed energy generation system are included in the
300 purchase price.

301 (20)~~(19)~~ A disclosure as to whether any warranty or
302 maintenance obligations related to the distributed energy
303 generation system may be sold or transferred by the seller to a
304 third party and, if so, a statement in substantially the
305 following form: "Your contract may be assigned, sold, or
306 transferred without your consent to a third party who will be
307 bound to all the terms of the contract. If a transfer occurs,
308 you will be notified if this will change the address or phone
309 number to use for system maintenance or repair requests."

310 (21)~~(20)~~ If the distributed energy generation system will
311 be purchased, a disclosure notifying the buyer of the
312 requirements for interconnecting the system to the utility
313 system.

314 (22)~~(21)~~ A disclosure notifying the buyer or lessee of the
315 party responsible for obtaining interconnection approval.

316 (23)~~(22)~~ A description of any roof warranties.

317 (24) A statement in substantially the following form: "You
318 should consider the age and remaining life of your roof prior to
319 installing a distributed energy generation system. Replacement

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320 of your roof may require reinstallation of the distributed energy
321 generation system."

322 (25)~~(23)~~ A disclosure notifying the lessee whether the
323 seller will insure a leased distributed energy generation system
324 against damage or loss and, if applicable, the circumstances
325 under which the seller will not insure the system against damage
326 or loss.

327 (26)~~(24)~~ A statement, ~~if applicable,~~ in substantially the
328 following form: "You are responsible for obtaining insurance
329 policies or coverage for any loss of or damage to the system.
330 Consult an insurance professional to understand how to protect
331 against the risk of loss or damage to the system."

332 (27) A statement in substantially the following form:
333 "Placing a distributed energy generation system on your roof may
334 impact your future insurance premiums. You are responsible for
335 contacting your insurance carrier, prior to entering into a
336 purchase or lease agreement, to confirm whether your current
337 policy or coverage will need to be modified upon installing the
338 distributed energy generation system onto your dwelling."

339 (28)~~(25)~~ A disclosure notifying the buyer or lessee whether
340 the seller or lessor will place a lien on the buyer's or
341 lessee's home or other property as a result of entering into a
342 purchase or lease agreement for the distributed energy
343 generation system.

344 (29)~~(26)~~ A disclosure notifying the buyer or lessee whether
345 the seller or lessor will file a fixture filing or a State of
346 Florida Uniform Commercial Code Financing Statement Form (UCC-1)
347 on the distributed energy generation system.

348 (30)~~(27)~~ A disclosure identifying whether the agreement

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349 contains any restrictions on the buyer's or lessee's ability to
350 modify or transfer ownership of a distributed energy generation
351 system, including whether any modification or transfer is
352 subject to review or approval by a third party.

353 (31)~~(28)~~ A disclosure as to whether the lease agreement may
354 be transferred to a purchaser upon sale of the home or real
355 property to which the system is affixed, and any conditions for
356 such transfer.

357 (32)~~(29)~~ A blank section that allows the seller to provide
358 additional relevant disclosures or explain disclosures made
359 elsewhere in the disclosure form.

360

361 The requirement to provide a written statement under this
362 section may be satisfied by the electronic delivery of a
363 document within 24 hours after execution of the written
364 statement containing the required statement if the intended
365 recipient of the electronic document affirmatively acknowledges
366 its receipt. An electronic document satisfies the font and other
367 formatting standards required for the written statement if the
368 format and the relative size of characters of the electronic
369 document are reasonably similar to those required in the written
370 document or if the information is otherwise displayed in a
371 reasonably conspicuous manner.

372 Section 5. Subsection (6) of section 560.111, Florida
373 Statutes, is amended to read:

374 560.111 Prohibited acts.—

375 (6) A person who knowingly and willfully violates s.
376 560.309(11) or s. 560.310(2) (d) commits a felony of the third
377 degree, punishable as provided in s. 775.082, s. 775.083, or s.

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378 775.084.

379 Section 6. Subsection (11) is added to section 560.309,
380 Florida Statutes, to read:

381 560.309 Conduct of business.—

382 (11) A licensee may not cash corporate checks where the
383 aggregate face amount of all corporate checks cashed for each
384 payee exceeds 200 percent of the payee's workers' compensation
385 policy payroll amount during the same dates as the workers'
386 compensation policy coverage period.

387 Section 7. Section 626.602, Florida Statutes, is amended to
388 read:

389 626.602 Insurance agency and adjusting firm names;
390 disapproval.—The department may disapprove the use of any true
391 or fictitious name, other than the bona fide natural name of an
392 individual, by any insurance agency or adjusting firm on any of
393 the following grounds:

394 (1) The name interferes with or is too similar to a name
395 already filed and in use by another agency, adjusting firm, or
396 insurer.

397 (2) The use of the name may mislead the public in any
398 respect.

399 (3) The name states or implies that the agency or adjusting
400 firm is an insurer, motor club, hospital service plan, state or
401 federal agency, charitable organization, or entity that
402 primarily provides advice and counsel rather than sells or
403 solicits insurance, settles claims, or is entitled to engage in
404 insurance activities not permitted under licenses held or
405 applied for. This provision does not prohibit the use of the
406 word "state" or "states" in the name of the agency. The use of

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407 the word "state" or "states" in the name of an agency or
408 adjusting firm does not in and of itself imply that the agency
409 or adjusting firm is a state agency.

410 (4) The name contains the word "Medicare" or "Medicaid." ~~An~~
411 ~~insurance agency whose name contains the word "Medicare" or~~
412 ~~"Medicaid" but which is licensed as of July 1, 2021, may~~
413 ~~continue to use that name until June 30, 2023, provided that the~~
414 ~~agency's license remains valid. If the agency's license expires~~
415 ~~or is suspended or revoked, the agency may not be relicensed~~
416 ~~using that name.~~ Licenses for agencies with names containing
417 either of these words automatically expire on July 1, 2023,
418 unless these words are removed from the name.

419 Section 8. Section 626.854, Florida Statutes, is amended to
420 read:

421 626.854 "Public adjuster" defined; prohibitions.—The
422 Legislature finds that it is necessary for the protection of the
423 public to regulate public insurance adjusters and to prevent the
424 unauthorized practice of law.

425 (1) A "public adjuster" is any person, except a duly
426 licensed attorney at law as exempted under s. 626.860, who, for
427 money, commission, or any other thing of value, directly or
428 indirectly prepares, completes, or files an insurance claim for
429 an insured or third-party claimant, regardless of how that
430 person describes or presents his or her services, or who, for
431 money, commission, or any other thing of value, acts on behalf
432 of, or aids an insured or third-party claimant in negotiating
433 for or effecting the settlement of a claim or claims for loss or
434 damage covered by an insurance contract, regardless of how that
435 person describes or presents his or her services, or who

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436 advertises for employment as an adjuster of such claims. The
437 term also includes any person who, for money, commission, or any
438 other thing of value, directly or indirectly solicits,
439 investigates, or adjusts such claims on behalf of a public
440 adjuster, an insured, or a third-party claimant. The term does
441 not include a person who photographs or inventories damaged
442 personal property or business personal property or a person
443 performing duties under another professional license, if such
444 person does not otherwise solicit, adjust, investigate, or
445 negotiate for or attempt to effect the settlement of a claim.

446 (2) This definition does not apply to:

447 (a) A licensed health care provider or employee thereof who
448 prepares or files a health insurance claim form on behalf of a
449 patient.

450 (b) A licensed health insurance agent who assists an
451 insured with coverage questions, medical procedure coding
452 issues, balance billing issues, understanding the claims filing
453 process, or filing a claim, as such assistance relates to
454 coverage under a health insurance policy.

455 (c) A person who files a health claim on behalf of another
456 and does so without compensation.

457 (3) A public adjuster may not give legal advice or act on
458 behalf of or aid any person in negotiating or settling a claim
459 relating to bodily injury, death, or noneconomic damages.

460 (4) For purposes of this section, the term "insured"
461 includes only the policyholder and any beneficiaries named or
462 similarly identified in the policy.

463 (5) A public adjuster may not directly or indirectly
464 through any other person or entity solicit an insured or

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465 claimant by any means except on Monday through Saturday of each
466 week and only between the hours of 8 a.m. and 8 p.m. on those
467 days.

468 (6) When entering a contract for adjuster services after
469 July 1, 2023, a public adjuster:

470 (a) May not collect a fee for services on payments made to
471 a named insured unless they have a written contract with the
472 named insured or the named insured's legal representative.

473 (b) May not contract for services to be provided by a third
474 party on behalf of the named insured or in pursuit of settlement
475 of the named insureds claim, if the cost of those services is to
476 be borne by the named insured, unless the named insured agrees
477 in writing to procure these services and such agreement is
478 entered into subsequent to the date of the contract for public
479 adjusting services.

480 (c) If a public adjuster contracts with a third-party
481 service provider to assist with the settlement of the named
482 insured's claim, without first obtaining the insured's written
483 consent, payment of the third party's fees must be made by the
484 public adjuster and may not be charged back to the named
485 insured.

486 (d) If a public adjuster represents anyone other than the
487 named insured in a claim, the public adjuster fees shall be paid
488 by the third party and may not be charged back to the named
489 insured.

490 (7)~~(6)~~ An insured or claimant may cancel a public
491 adjuster's contract to adjust a claim without penalty or
492 obligation within 10 days after the date on which the contract
493 is executed. If the contract was entered into based on events

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494 that are the subject of a declaration of a state of emergency by
495 the Governor, an insured or claimant may cancel the public
496 adjuster's contract to adjust a claim without penalty or
497 obligation within 30 days after the date of loss or 10 days
498 after the date on which the contract is executed, whichever is
499 longer. The public adjuster's contract must contain the
500 following language in minimum 18-point bold type immediately
501 before the space reserved in the contract for the signature of
502 the insured or claimant: "You, the insured, may cancel this
503 contract for any reason without penalty or obligation to you
504 within 10 days after the date of this contract. If this contract
505 was entered into based on events that are the subject of a
506 declaration of a state of emergency by the Governor, you may
507 cancel this contract for any reason without penalty or
508 obligation to you within 30 days after the date of loss or 10
509 days after the date on which the contract is executed, whichever
510 is longer. You may also cancel the contract without penalty or
511 obligation to you if I, as your public adjuster, fail to provide
512 you and your insurer a copy of a written estimate within 60 days
513 of the execution of the contract, unless the failure to provide
514 the estimate within 60 days is caused by factors beyond my
515 control, in accordance with s. 627.70131(5)(a)2., Florida
516 Statutes. The 60-day cancellation period for failure to provide
517 a written estimate shall cease on the date I have provided you
518 with the written estimate." The ~~by providing~~ notice of
519 cancellation shall be provided to ...(name of public
520 adjuster)..., submitted in writing and sent by certified mail,
521 return receipt requested, or other form of mailing that provides
522 proof thereof, at the address specified in the contract.

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523 (8)~~(7)~~ It is an unfair and deceptive insurance trade
524 practice pursuant to s. 626.9541 for a public adjuster or any
525 other person to circulate or disseminate any advertisement,
526 announcement, or statement containing any assertion,
527 representation, or statement with respect to the business of
528 insurance which is untrue, deceptive, or misleading.

529 (a) The following statements, made in any public adjuster's
530 advertisement or solicitation, are considered deceptive or
531 misleading:

532 1. A statement or representation that invites an insured
533 policyholder to submit a claim when the policyholder does not
534 have covered damage to insured property.

535 2. A statement or representation that invites an insured
536 policyholder to submit a claim by offering monetary or other
537 valuable inducement.

538 3. A statement or representation that invites an insured
539 policyholder to submit a claim by stating that there is "no
540 risk" to the policyholder by submitting such claim.

541 4. A statement or representation, or use of a logo or
542 shield, that implies or could mistakenly be construed to imply
543 that the solicitation was issued or distributed by a
544 governmental agency or is sanctioned or endorsed by a
545 governmental agency.

546 (b) For purposes of this paragraph, the term "written
547 advertisement" includes only newspapers, magazines, flyers, and
548 bulk mailers. The following disclaimer, which is not required to
549 be printed on standard size business cards, must be added in
550 bold print and capital letters in typeface no smaller than the
551 typeface of the body of the text to all written advertisements

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552 by a public adjuster:

553

554 "THIS IS A SOLICITATION FOR BUSINESS. IF YOU HAVE HAD
555 A CLAIM FOR AN INSURED PROPERTY LOSS OR DAMAGE AND YOU
556 ARE SATISFIED WITH THE PAYMENT BY YOUR INSURER, YOU
557 MAY DISREGARD THIS ADVERTISEMENT."

558

559 (9)~~(8)~~ A public adjuster, a public adjuster apprentice, or
560 any person or entity acting on behalf of a public adjuster or
561 public adjuster apprentice may not give or offer to give a
562 monetary loan or advance to a client or prospective client.

563 (10)~~(9)~~ A public adjuster, public adjuster apprentice, or
564 any individual or entity acting on behalf of a public adjuster
565 or public adjuster apprentice may not give or offer to give,
566 directly or indirectly, any article of merchandise having a
567 value in excess of \$25 to any individual for the purpose of
568 advertising or as an inducement to entering into a contract with
569 a public adjuster.

570 ~~(10)~~(11) (a) If a public adjuster enters into a contract
571 with an insured or claimant to reopen a claim or file a
572 supplemental claim that seeks additional payments for a claim
573 that has been previously paid in part or in full or settled by
574 the insurer, the public adjuster may not charge, agree to, or
575 accept from any source compensation, payment, commission, fee,
576 or any other thing of value based on a previous settlement or
577 previous claim payments by the insurer for the same cause of
578 loss. The charge, compensation, payment, commission, fee, or any
579 other thing of value must be based only on the claim payments or
580 settlements paid to the insured, exclusive of attorney fees and

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581 costs, obtained through the work of the public adjuster after
582 entering into the contract with the insured or claimant.
583 Compensation for the reopened or supplemental claim may not
584 exceed 20 percent of the reopened or supplemental claim payment.
585 In no event shall the contracts described in this paragraph
586 exceed the limitations in paragraph (b).

587 (b) A public adjuster may not charge, agree to, or accept
588 from any source compensation, payment, commission, fee, or any
589 other thing of value in excess of:

590 1. Ten percent of the amount of insurance claim payments or
591 settlements, exclusive of attorney fees and costs, paid to the
592 insured by the insurer for claims based on events that are the
593 subject of a declaration of a state of emergency by the
594 Governor. This provision applies to claims made during the year
595 after the declaration of emergency. After that year, the
596 limitations in subparagraph 2. apply.

597 2. Twenty percent of the amount of insurance claim payments
598 or settlements, exclusive of attorney fees and costs, paid to
599 the insured by the insurer for claims that are not based on
600 events that are the subject of a declaration of a state of
601 emergency by the Governor.

602 3. One percent of the amount of insurance claim payments or
603 settlements, paid to the insured by the insurer for any coverage
604 part of the policy where the claim payment or written agreement
605 by the insurer to pay is equal to or greater than the policy
606 limit for that part of the policy, if the payment or written
607 commitment to pay is provided within 14 days after the date of
608 loss or within 10 days after the date on which the public
609 adjusting contract is executed, whichever is later.

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610 4. Zero percent of the amount of insurance claim payments
611 or settlements, paid to the insured by the insurer for any
612 coverage part of the policy where the claim payment or written
613 agreement by the insurer to pay occurs before the date on which
614 the public adjusting contract is executed.

615 (c) Insurance claim payments made by the insurer do not
616 include policy deductibles, and public adjuster compensation may
617 not be based on the deductible portion of a claim.

618 (d) Public adjuster compensation may not be based on
619 amounts attributable to additional living expenses, unless such
620 compensation is affirmatively agreed to in a separate agreement
621 that includes a disclosure in substantially the following form:
622 "I agree to retain and compensate the public adjuster for
623 adjusting my additional living expenses and securing payment
624 from my insurer for amounts attributable to additional living
625 expenses payable under the policy issued on my (home/mobile
626 home/condominium unit)."

627 (e) Public adjuster rate of compensation may not be
628 increased based solely on the fact that the claim is litigated.

629 (f) Any maneuver, shift, or device through which the limits
630 on compensation set forth in this subsection are exceeded is a
631 violation of this chapter punishable as provided under s.
632 626.8698.

633 (12) (a) ~~(11)~~ Each public adjuster must provide to the
634 claimant or insured a written estimate of the loss to assist in
635 the submission of a proof of loss or any other claim for payment
636 of insurance proceeds within 60 days after the date of the
637 contract. The written estimate must include an itemized, per-
638 unit estimate of the repairs, including itemized information on

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639 equipment, materials, labor, and supplies, in accordance with
640 accepted industry standards. The public adjuster shall retain
641 such written estimate for at least 5 years and shall make the
642 estimate available to the claimant or insured, the insurer, and
643 the department upon request.

644 (b) An insured may cancel the contract with no additional
645 penalties or fees charged by the public adjuster if such an
646 estimate is not provided within 60 days after executing the
647 contract, subject to the cancellation notice requirement in this
648 section, unless the failure to provide the estimate within 60
649 days is caused by factors beyond the control of the public
650 adjuster. The cancellation period shall cease on the date the
651 public adjuster provides the written estimate to the insured.

652 (13)~~(12)~~ A public adjuster, public adjuster apprentice, or
653 any person acting on behalf of a public adjuster or apprentice
654 may not accept referrals of business from any person with whom
655 the public adjuster conducts business if there is any form or
656 manner of agreement to compensate the person, directly or
657 indirectly, for referring business to the public adjuster. A
658 public adjuster may not compensate any person, except for
659 another public adjuster, directly or indirectly, for the
660 principal purpose of referring business to the public adjuster.

661 (14)~~(13)~~ A company employee adjuster, independent adjuster,
662 attorney, investigator, or other persons acting on behalf of an
663 insurer that needs access to an insured or claimant or to the
664 insured property that is the subject of a claim must provide at
665 least 48 hours' notice to the insured or claimant, public
666 adjuster, or legal representative before scheduling a meeting
667 with the claimant or an onsite inspection of the insured

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668 property. The insured or claimant may deny access to the
669 property if the notice has not been provided. The insured or
670 claimant may waive the 48-hour notice.

671 (15)~~(14)~~ The public adjuster must ensure that prompt notice
672 is given of the claim to the insurer, the public adjuster's
673 contract is provided to the insurer, the property is available
674 for inspection of the loss or damage by the insurer, and the
675 insurer is given an opportunity to interview the insured
676 directly about the loss and claim. The insurer must be allowed
677 to obtain necessary information to investigate and respond to
678 the claim.

679 (a) The insurer may not exclude the public adjuster from
680 its in-person meetings with the insured. The insurer shall meet
681 or communicate with the public adjuster in an effort to reach
682 agreement as to the scope of the covered loss under the
683 insurance policy. The public adjuster shall meet or communicate
684 with the insurer in an effort to reach agreement as to the scope
685 of the covered loss under the insurance policy. This section
686 does not impair the terms and conditions of the insurance policy
687 in effect at the time the claim is filed.

688 (b) A public adjuster may not restrict or prevent an
689 insurer, company employee adjuster, independent adjuster,
690 attorney, investigator, or other person acting on behalf of the
691 insurer from having reasonable access at reasonable times to any
692 insured or claimant or to the insured property that is the
693 subject of a claim.

694 (c) A public adjuster may not act or fail to reasonably act
695 in any manner that obstructs or prevents an insurer or insurer's
696 adjuster from timely conducting an inspection of any part of the

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697 insured property for which there is a claim for loss or damage.
698 The public adjuster representing the insureds may be present for
699 the insurer's inspection, but if the unavailability of the
700 public adjuster otherwise delays the insurer's timely inspection
701 of the property, the public adjuster or the insureds must allow
702 the insurer to have access to the property without the
703 participation or presence of the public adjuster or insureds in
704 order to facilitate the insurer's prompt inspection of the loss
705 or damage.

706 (16)~~(15)~~ A licensed contractor under part I of chapter 489,
707 or a subcontractor of such licensee, may not advertise, solicit,
708 offer to handle, handle, or perform public adjuster services as
709 provided in subsection (1) unless licensed and compliant as a
710 public adjuster under this chapter. The prohibition against
711 solicitation does not preclude a contractor from suggesting or
712 otherwise recommending to a consumer that the consumer consider
713 contacting his or her insurer to determine if the proposed
714 repair is covered under the consumer's insurance policy, except
715 as it relates to solicitation prohibited in s. 489.147. In
716 addition, the contractor may discuss or explain a bid for
717 construction or repair of covered property with the residential
718 property owner who has suffered loss or damage covered by a
719 property insurance policy, or the insurer of such property, if
720 the contractor is doing so for the usual and customary fees
721 applicable to the work to be performed as stated in the contract
722 between the contractor and the insured.

723 (17)~~(16)~~ A public adjuster shall not acquire any interest
724 in salvaged property, except with the written consent and
725 permission of the insured through a signed affidavit.

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726 (18)~~(17)~~ A public adjuster, a public adjuster apprentice,
727 or a person acting on behalf of an adjuster or apprentice may
728 not enter into a contract or accept a power of attorney that
729 vests in the public adjuster, the public adjuster apprentice, or
730 the person acting on behalf of the adjuster or apprentice the
731 effective authority to choose the persons or entities that will
732 perform repair work in a property insurance claim or provide
733 goods or services that will require the insured or third-party
734 claimant to expend funds in excess of those payable to the
735 public adjuster under the terms of the contract for adjusting
736 services.

737 (19)~~(18)~~ Subsections (5)-(18) ~~(5)-(17)~~ apply only to
738 residential property insurance policies and condominium unit
739 owner policies as described in s. 718.111(11).

740 (20)~~(19)~~ Except as otherwise provided in this chapter, no
741 person, except an attorney at law or a licensed public adjuster,
742 may for money, commission, or any other thing of value, directly
743 or indirectly:

744 (a) Prepare, complete, or file an insurance claim for an
745 insured or a third-party claimant;

746 (b) Act on behalf of or aid an insured or a third-party
747 claimant in negotiating for or effecting the settlement of a
748 claim for loss or damage covered by an insurance contract;

749 (c) Offer to initiate or negotiate a claim on behalf of an
750 insured;

751 (d) Advertise services that require a license as a public
752 adjuster; or

753 (e) Solicit, investigate, or adjust a claim on behalf of a
754 public adjuster, an insured, or a third-party claimant.

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755 (21)~~(20)~~ The department may take administrative actions and
756 impose fines against any persons performing claims adjusting,
757 soliciting, or any other services described in this section
758 without the licensure required under this section or s. 626.112.

759 (22)~~(21)~~ A public adjuster, public adjuster apprentice, or
760 public adjusting firm that solicits a claim and does not enter
761 into a contract with an insured or a third-party claimant
762 pursuant to paragraph (11) (a) ~~(10) (a)~~ may not charge an insured
763 or a third-party claimant or receive payment by any other source
764 for any type of service related to the insured or third-party
765 claimant's claim.

766 (23) (a)~~(22) (a)~~ Any following act by a public adjuster, a
767 public adjuster apprentice, or a person acting on behalf of a
768 public adjuster or public adjuster apprentice is prohibited and
769 shall result in discipline as applicable under this part:

770 1. Offering to a residential property owner a rebate, gift,
771 gift card, cash, coupon, waiver of any insurance deductible, or
772 any other thing of value in exchange for:

773 a. Allowing a contractor, a public adjuster, a public
774 adjuster apprentice, or a person acting on behalf of a public
775 adjuster or public adjuster apprentice to conduct an inspection
776 of the residential property owner's roof; or

777 b. Making an insurance claim for damage to the residential
778 property owner's roof.

779 2. Offering, delivering, receiving, or accepting any
780 compensation, inducement, or reward for the referral of any
781 services for which property insurance proceeds would be used for
782 roofing repairs or replacement.

783 (b) Notwithstanding the fine set forth in s. 626.8698, a

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784 public adjuster or public adjuster apprentice may be subject to
785 a fine not to exceed \$10,000 per act for a violation of this
786 subsection and a fine not to exceed \$20,000 per act for a
787 violation of this subsection that occurs during a state of
788 emergency declared by executive order or proclamation of the
789 Governor pursuant to s. 252.36.

790 (c) A person who engages in an act prohibited by this
791 subsection and who is not a public adjuster or a public adjuster
792 apprentice, or is not otherwise exempt from licensure, is guilty
793 of the unlicensed practice of public adjusting and may be:

794 1. Subject to all applicable penalties set forth in this
795 part.

796 2. Notwithstanding subparagraph 1., subject to a fine not
797 to exceed \$10,000 per act for a violation of this subsection and
798 a fine not to exceed \$20,000 per act for a violation of this
799 subsection that occurs during a state of emergency declared by
800 executive order or proclamation of the Governor pursuant to s.
801 252.36.

802 Section 9. Section 626.860, Florida Statutes, is amended to
803 read:

804 626.860 Attorneys at law; exemption.—Attorneys at law duly
805 licensed to practice law in the courts of this state, and in
806 good standing with The Florida Bar, shall not be required to be
807 licensed under ~~the provisions of~~ this code to authorize them to
808 adjust or participate in the adjustment of any claim, loss, or
809 damage arising under policies or contracts of insurance. This
810 exemption does not extend to the employees, interns, volunteers,
811 or contractors of an attorney or of a law firm.

812 Section 10. Section 626.875, Florida Statutes, is amended

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813 to read:

814 626.875 Office and records.—

815 (1) (a) Each appointed independent adjuster and licensed
816 public adjuster must maintain a place of business in this state
817 which is accessible to the public and keep therein the usual and
818 customary records pertaining to transactions under the license.
819 This provision does not prohibit maintenance of such an office
820 in the home of the licensee.

821 (b) A license issued under this chapter must at all times
822 be posted in a conspicuous place in the principal place of
823 business of the license holder. If the licensee is conducting
824 business away from the place of business such that the license
825 cannot be posted, the licensee shall have such license in his or
826 her actual possession at the time of carrying on such business.

827 (2) The records of the adjuster relating to a particular
828 claim or loss shall be so retained in the adjuster's place of
829 business for a period of not less than 5 years after completion
830 of the adjustment and shall be available for inspection by the
831 department between the hours of 8 a.m. and 5 p.m., Monday
832 through Friday, excluding state holidays. This provision shall
833 not be deemed to prohibit return or delivery to the insurer or
834 insured of documents furnished to or prepared by the adjuster
835 and required by the insurer or insured to be returned or
836 delivered thereto. At a minimum, the following records must be
837 maintained for a period of not less than 5 years:

838 (a) Name, address, telephone number, and e-mail address of
839 the insured, and the name of the attorney representing the
840 insured, if applicable.

841 (b) The date, location, and amount of the loss.

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842 (c) An unaltered copy of the executed disclosure document
843 required by s. 626.8796.

844 (d) An unaltered copy of the executed public adjuster
845 contract required by s. 626.8796.

846 (e) A copy of the estimate of damages provided to the
847 insurer.

848 (f) The name of the insurer; the name of the claims
849 representative of the insurer; and the amount, expiration date,
850 and number of each policy under which the loss is covered.

851 (g) An itemized statement of the recoveries by the insured
852 from the sources known to the adjuster.

853 (h) An itemized statement of all compensation received by
854 the public adjuster from any source in connection with the loss.

855 (i) A register of all money received, deposited, disbursed,
856 and withdrawn in connection with a transaction with the insured,
857 including fees, transfers, and disbursements in connection with
858 the loss.

859 Section 11. Section 626.8796, Florida Statutes, is amended
860 to read:

861 626.8796 Public adjuster contracts; disclosure statement;
862 fraud statement.—

863 (1) All contracts for public adjuster services must be in
864 writing in at least 12-point type, be titled "Public Adjuster
865 Contract," and prominently display the following statement on
866 the contract in minimum 18-point bold type before the space
867 reserved in the contract for the signature of the insured:

868 "Pursuant to s. 817.234, Florida Statutes, any person who, with
869 the intent to injure, defraud, or deceive an insurer or insured,
870 prepares, presents, or causes to be presented a proof of loss or

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871 estimate of cost or repair of damaged property in support of a
872 claim under an insurance policy knowing that the proof of loss
873 or estimate of claim or repairs contains false, incomplete, or
874 misleading information concerning any fact or thing material to
875 the claim commits a felony of the third degree, punishable as
876 provided in s. 775.082, s. 775.083, or s. 775.084, Florida
877 Statutes."

878 (2) A public adjuster contract relating to a property and
879 casualty claim must contain the full name, permanent business
880 address, phone number, e-mail address, and license number of the
881 public adjuster; the full name of the public adjusting firm; and
882 the insured's full name, ~~and~~ street address, phone number, and
883 e-mail address, together with a brief description of the loss.
884 The contract must state the percentage of compensation for the
885 public adjuster's services in minimum 18-point bold type before
886 the space reserved in the contract for the signature of the
887 insured; the type of claim, including an emergency claim,
888 nonemergency claim, or supplemental claim; the initials of the
889 named insured on each page that does not contain the insured's
890 signature; the signatures of the public adjuster and all named
891 insureds; and the signature date. If all of the named insureds'
892 signatures are not available, the public adjuster must submit an
893 affidavit signed by the available named insureds attesting that
894 they have authority to enter into the contract and settle all
895 claim issues on behalf of the named insureds. An unaltered copy
896 of the executed contract must be remitted to the insured at the
897 time of execution and to the insurer, or the insurer's
898 representative, within 7 ~~30~~ days after execution. A public
899 adjusting firm that adjusts claims primarily for commercial

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900 entities with operations in more than one state and that does
901 not directly or indirectly perform adjusting services for
902 insurers or individual homeowners is deemed to comply with the
903 requirements of this subsection if, at the time a proof of loss
904 is submitted, the public adjusting firm remits to the insurer an
905 affidavit signed by the public adjuster or public adjuster
906 apprentice that identifies:

907 (a) The full name, permanent business address, phone
908 number, e-mail address, and license number of the public
909 adjuster or public adjuster apprentice.

910 (b) The full name of the public adjusting firm.

911 (c) The insured's full name, ~~and~~ street address, phone
912 number, and e-mail address, together with a brief description of
913 the loss.

914 (d) An attestation that the compensation for public
915 adjusting services will not exceed the limitations provided by
916 law.

917 (e) The type of claim, including an emergency claim,
918 nonemergency claim, or supplemental claim.

919 (3) The public adjuster shall not receive compensation for
920 services provided prior to the date the insured receives an
921 unaltered copy of the executed contract or the date executed
922 contract is submitted to the insurer. Proof of receipt by the
923 insured and proof of submission to the insurer must be
924 maintained by the public adjuster for not less than five years.

925 (4) The insured may rescind the contract for public
926 adjuster services if the public adjuster has not submitted a
927 written estimate to the insurer within 60 days after executing
928 the contract, unless the failure to provide the written estimate

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929 within 60 days is caused by factors beyond the public adjuster's
930 control.

931 (5) The cancellation period for failure to provide a
932 written estimate terminates on the date the estimate is
933 provided.

934 (6) Before the signing of the contract, the public adjuster
935 shall provide the insured with a separate disclosure document to
936 be signed by the insured, on a form adopted by the department,
937 regarding the claim process which accomplishes the following:

938 (a) Defines the following types of adjusters who may be
939 involved in the claim process: company adjuster, independent
940 adjuster, and public adjuster.

941 (b) Explains that the public adjuster is not a
942 representative or employee of the insurer.

943 (c) Explains that the insured is not required to hire a
944 public adjuster, but has a right to do so.

945 (d) Explains that an insured has a right to initiate direct
946 communications with the insured's attorney, the insurer, the
947 company adjuster, the insurer's attorney, or any person
948 regarding the settlement of the insured's claim.

949 (e) Explains that the public adjuster's salary, fee,
950 commission, or other consideration to be paid to a public
951 adjuster is the insured's responsibility.

952 (f) Explains that the public adjuster is required to
953 provide the insured an unaltered copy of the executed contract
954 at the time of execution.

955 (g) Explains that if the contract was entered into based on
956 events that are the subject of a declaration of a state of
957 emergency by the Governor, an insured or a claimant may cancel

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958 the public adjuster's contract to adjust a claim without penalty
959 or obligation within 30 days after the date of loss or 10 days
960 after the date on which the contract is executed, whichever is
961 longer.

962 (h) The public adjuster shall provide an unaltered copy of
963 the executed disclosure document to the insured at the time of
964 execution.

965 (7) A contract that does not comply with this section is
966 invalid and unenforceable.

967 (8) The department may adopt rules pursuant to ss.
968 120.536(1) and 120.54 to implement this section, including rules
969 to adopt forms required by this section.

970 Section 12. Section 626.8797, Florida Statutes, is amended
971 to read:

972 626.8797 Proof of loss; fraud statement.—All proof-of-loss
973 statements must prominently display the following statement in
974 minimum 18-point bold type before the space reserved in the
975 contract for the signature of the insured: "Pursuant to s.
976 817.234, Florida Statutes, any person who, with the intent to
977 injure, defraud, or deceive any insurer or insured, prepares,
978 presents, or causes to be presented a proof of loss or estimate
979 of cost or repair of damaged property in support of a claim
980 under an insurance policy knowing that the proof of loss or
981 estimate of claim or repairs contains any false, incomplete, or
982 misleading information concerning any fact or thing material to
983 the claim commits a felony of the third degree, punishable as
984 provided in s. 775.082, s. 775.083, or s. 775.084, Florida
985 Statutes."

986 Section 13. Paragraph (a) of subsection (1) of section

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987 626.9541, Florida Statutes, is amended to read:

988 626.9541 Unfair methods of competition and unfair or
989 deceptive acts or practices defined.—

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

993 (a) *Misrepresentations and false advertising of insurance*
994 *policies.*—Knowingly making, issuing, circulating, or causing to
995 be made, issued, or circulated, any estimate, illustration,
996 circular, statement, sales presentation, omission, comparison,
997 or property and casualty certificate of insurance altered after
998 being issued, which:

999 1. Misrepresents the benefits, advantages, conditions, or
1000 terms of any insurance policy.

1001 2. Misrepresents the dividends or share of the surplus to
1002 be received on any insurance policy.

1003 3. Makes any false or misleading statements as to the
1004 dividends or share of surplus previously paid on any insurance
1005 policy.

1006 4. Is misleading, or is a misrepresentation, as to the
1007 financial condition of any person or as to the legal reserve
1008 system upon which any life insurer operates.

1009 5. Uses any name or title of any insurance policy or class
1010 of insurance policies misrepresenting the true nature thereof.

1011 6. Is a misrepresentation for the purpose of inducing, or
1012 tending to induce, the lapse, forfeiture, exchange, conversion,
1013 or surrender of any insurance policy.

1014 7. Is a misrepresentation for the purpose of effecting a
1015 pledge or assignment of, or effecting a loan against, any

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1016 insurance policy.

1017 8. Misrepresents any insurance policy as being shares of
1018 stock or misrepresents ownership interest in the company.

1019 9. Uses any advertisement that would mislead or otherwise
1020 cause a reasonable person to believe mistakenly that the state
1021 or the Federal Government is responsible for the insurance sales
1022 activities of any person or stands behind any person's credit or
1023 that any person, the state, or the Federal Government guarantees
1024 any returns on insurance products or is a source of payment of
1025 any insurance obligation of or sold by any person.

1026 10. Fails to disclose a third party that receives
1027 royalties, referral fees, or other remuneration for sponsorship,
1028 marketing, or use of third-party branding for a policy of health
1029 insurance as defined in s. 624.603.

1030 Section 14. Paragraph (c) of subsection (2) of section
1031 627.4025, Florida Statutes, is amended, and paragraph (d) is
1032 added to that subsection, to read:

1033 627.4025 Residential coverage and hurricane coverage
1034 defined.—

1035 (2) As used in policies providing residential coverage:

1036 (c) "Hurricane" for purposes of paragraphs (a) and (b)
1037 means a storm system that has been declared to be a hurricane by
1038 the National Hurricane Center of the National Weather Service.
1039 The duration of the hurricane includes the time period, in
1040 Florida:

1041 1. Beginning at the time a ~~hurricane watch or~~ hurricane
1042 warning is issued for any part of Florida by the National
1043 Hurricane Center of the National Weather Service; and

1044 2. ~~Continuing for the time period during which the~~

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hurricane conditions exist anywhere in Florida; and

~~3.~~ Ending 72 hours following the termination of the last hurricane watch or hurricane warning issued for any part of Florida by the National Hurricane Center of the National Weather Service.

(d) "Hurricane deductible" means the deductible applicable to loss caused by a hurricane.

Section 15. Paragraph (b) of subsection (1) and paragraph (b) of subsection (2) of section 627.4133, Florida Statutes, are amended to read:

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

(1) Except as provided in subsection (2):

(b) An insurer issuing a policy providing coverage for property, casualty, except mortgage guaranty, surety, or marine insurance, other than motor vehicle insurance subject to s. 627.728 or s. 627.7281, shall give the first-named insured written notice of cancellation or termination other than nonrenewal at least 45 days prior to the effective date of the cancellation or termination, including in the written notice the reason or reasons for the cancellation or termination, except that:

1. When cancellation is for nonpayment of premium, at least 10 days' written notice of cancellation accompanied by the reason therefor shall be given. As used in this subparagraph and s. 440.42(3), the term "nonpayment of premium" means failure of the named insured to discharge when due any of her or his obligations in connection with the payment of premiums on a policy or any installment of such premium, whether the premium

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1074 is payable directly to the insurer or its agent or indirectly
1075 under any premium finance plan or extension of credit, or
1076 failure to maintain membership in an organization if such
1077 membership is a condition precedent to insurance coverage.
1078 "Nonpayment of premium" also means the failure of a financial
1079 institution to honor an insurance applicant's check after
1080 delivery to a licensed agent for payment of a premium, even if
1081 the agent has previously delivered or transferred the premium to
1082 the insurer. If a dishonored check represents the initial
1083 premium payment, the contract and all contractual obligations
1084 shall be void ab initio unless the nonpayment is cured within
1085 the earlier of 5 days after actual notice by certified mail is
1086 received by the applicant or 15 days after notice is sent to the
1087 applicant by certified mail or registered mail, and if the
1088 contract is void, any premium received by the insurer from a
1089 third party shall be refunded to that party in full; and

1090 2. When such cancellation or termination occurs during the
1091 first 60 ~~90~~ days during which the insurance is in force and the
1092 insurance is canceled or terminated for reasons other than
1093 nonpayment of premium, at least 20 days' written notice of
1094 cancellation or termination accompanied by the reason therefor
1095 shall be given except where there has been a material
1096 misstatement or misrepresentation or failure to comply with the
1097 underwriting requirements established by the insurer.

1098
1099 After the policy has been in effect for 60 ~~90~~ days, no such
1100 policy shall be canceled by the insurer except when there has
1101 been a material misstatement, a nonpayment of premium, a failure
1102 to comply with underwriting requirements established by the

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1103 insurer within ~~60~~ 90 days of the date of effectuation of
1104 coverage, or a substantial change in the risk covered by the
1105 policy or when the cancellation is for all insureds under such
1106 policies for a given class of insureds. This subsection does not
1107 apply to individually rated risks having a policy term of less
1108 than 90 days.

1109 (d) Notwithstanding paragraph (b), Citizens Property
1110 Insurance Corporation, in underwriting risks that, prior to the
1111 date of the application, were most recently insured by an
1112 insurer that has been placed in receivership under chapter 631,
1113 may immediately cancel a policy insuring such risk that is in
1114 effect for 90 days or less for material misrepresentation or
1115 failure to comply with underwriting requirements established
1116 before the effectuation of coverage.

1117 (2) With respect to any personal lines or commercial
1118 residential property insurance policy, including, but not
1119 limited to, any homeowner, mobile home owner, farmowner,
1120 condominium association, condominium unit owner, apartment
1121 building, or other policy covering a residential structure or
1122 its contents:

1123 (b) The insurer shall give the first-named insured written
1124 notice of nonrenewal, cancellation, or termination at least 120
1125 days before the effective date of the nonrenewal, cancellation,
1126 or termination. The notice must include the reason for the
1127 nonrenewal, cancellation, or termination, except that:

1128 1. If cancellation is for nonpayment of premium, at least
1129 10 days' written notice of cancellation accompanied by the
1130 reason therefor must be given. As used in this subparagraph, the
1131 term "nonpayment of premium" means failure of the named insured

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1132 to discharge when due her or his obligations for paying the
1133 premium on a policy or an installment of such premium, whether
1134 the premium is payable directly to the insurer or its agent or
1135 indirectly under a premium finance plan or extension of credit,
1136 or failure to maintain membership in an organization if such
1137 membership is a condition precedent to insurance coverage. The
1138 term also means the failure of a financial institution to honor
1139 an insurance applicant's check after delivery to a licensed
1140 agent for payment of a premium even if the agent has previously
1141 delivered or transferred the premium to the insurer. If a
1142 dishonored check represents the initial premium payment, the
1143 contract and all contractual obligations are void ab initio
1144 unless the nonpayment is cured within the earlier of 5 days
1145 after actual notice by certified mail is received by the
1146 applicant or 15 days after notice is sent to the applicant by
1147 certified mail or registered mail. If the contract is void, any
1148 premium received by the insurer from a third party must be
1149 refunded to that party in full.

1150 2. If cancellation or termination occurs during the first
1151 60 ~~90~~ days the insurance is in force and the insurance is
1152 canceled or terminated for reasons other than nonpayment of
1153 premium, at least 20 days' written notice of cancellation or
1154 termination accompanied by the reason therefor must be given
1155 unless there has been a material misstatement or
1156 misrepresentation or a failure to comply with the underwriting
1157 requirements established by the insurer.

1158 3. After the policy has been in effect for 60 ~~90~~ days, the
1159 policy may not be canceled by the insurer unless there has been
1160 a material misstatement; a nonpayment of premium; a failure to

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1161 comply, within 60 ~~90~~ days after the date of effectuation of
1162 coverage, with underwriting requirements established by the
1163 insurer before the date of effectuation of coverage; or a
1164 substantial change in the risk covered by the policy or unless
1165 the cancellation is for all insureds under such policies for a
1166 given class of insureds. This subparagraph does not apply to
1167 individually rated risks that have a policy term of less than 90
1168 days.

1169 4. After a policy or contract has been in effect for more
1170 than 60 ~~90~~ days, the insurer may not cancel or terminate the
1171 policy or contract based on credit information available in
1172 public records.

1173 5. A policy that is nonrenewed by Citizens Property
1174 Insurance Corporation, pursuant to s. 627.351(6), for a policy
1175 that has been assumed by an authorized insurer offering
1176 replacement coverage to the policyholder is exempt from the
1177 notice requirements of paragraph (a) and this paragraph. In such
1178 cases, the corporation must give the named insured written
1179 notice of nonrenewal at least 45 days before the effective date
1180 of the nonrenewal.

1181 6. Notwithstanding any other provision of law, an insurer
1182 may cancel or nonrenew a property insurance policy after at
1183 least 45 days' notice if the office finds that the early
1184 cancellation of some or all of the insurer's policies is
1185 necessary to protect the best interests of the public or
1186 policyholders and the office approves the insurer's plan for
1187 early cancellation or nonrenewal of some or all of its policies.
1188 The office may base such finding upon the financial condition of
1189 the insurer, lack of adequate reinsurance coverage for hurricane

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1190 risk, or other relevant factors. The office may condition its
1191 finding on the consent of the insurer to be placed under
1192 administrative supervision pursuant to s. 624.81 or to the
1193 appointment of a receiver under chapter 631.

1194 7. A policy covering both a home and a motor vehicle may be
1195 nonrenewed for any reason applicable to the property or motor
1196 vehicle insurance after providing 90 days' notice.

1197 Section 16. Effective January 1, 2024, section 627.4554,
1198 Florida Statutes, is amended to read:

1199 627.4554 Suitability in annuity transactions investments.-

1200 (1) PURPOSE.-The purpose of this section is to require
1201 agents to act in the best interest of the consumer when making a
1202 recommendation of an annuity and to require insurers to
1203 establish and maintain a system to supervise so set forth
1204 standards and procedures for making recommendations to consumers
1205 which result in transactions involving annuity products, and to
1206 establish a system for supervising such recommendations in order
1207 to ensure that the insurance needs and financial objectives of
1208 consumers are effectively ~~appropriately~~ addressed at the time of
1209 the transaction.

1210 (2) SCOPE.-This section applies to any sale or
1211 recommendation of ~~made to a consumer to purchase, exchange, or~~
1212 ~~replace an annuity by an insurer or its agent, and which results~~
1213 ~~in the purchase, exchange, or replacement recommended.~~

1214 (3) DEFINITIONS.-As used in this section, the term:

1215 (a) "Agent" means a person or entity required to be
1216 licensed under the laws of this state to sell, solicit, or
1217 negotiate insurance, including annuities. For purposes of this
1218 section, the term includes an insurer when no agent is involved

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1219 ~~has the same meaning as provided in s. 626.015.~~

1220 (b) "Annuity" means an insurance product under state law
1221 which is individually solicited, whether classified as an
1222 individual or group annuity.

1223 (c) "Cash compensation" means any discount, concession,
1224 fee, service fee, commission, sales charge, loan, override, or
1225 cash benefit received by an agent from an insurer or
1226 intermediary or directly from the consumer in connection with
1227 the recommendation or sale of an annuity.

1228 (d) "Consumer profile information" means information that
1229 is reasonably appropriate to determine whether a recommendation
1230 addresses the consumer's financial situation, insurance needs,
1231 and financial objectives, including, at a minimum, the
1232 following:

- 1233 1. Age.
- 1234 2. Annual income.
- 1235 3. Financial situation and needs, including debts and other
1236 obligations.
- 1237 4. Financial experience.
- 1238 5. Insurance needs.
- 1239 6. Financial objectives.
- 1240 7. Intended use of the annuity.
- 1241 8. Financial time horizon.
- 1242 9. Existing assets or financial products, including
1243 investment, annuity, and insurance holdings.
- 1244 10. Liquidity needs.
- 1245 11. Liquid net worth.
- 1246 12. Risk tolerance, including, but not limited to,
1247 willingness to accept nonguaranteed elements in the annuity.

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- 1248 13. Financial resources used to fund the annuity.
- 1249 14. Tax status.
- 1250 ~~(e)~~ "FINRA" means the Financial Industry Regulatory
1251 Authority or a succeeding agency.
- 1252 ~~(f)~~ "Insurer" has the same meaning as provided in s.
1253 624.03.
- 1254 (g) "Intermediary" means an entity contracted directly with
1255 an insurer or with another entity contracted with an insurer to
1256 facilitate the sale of the insurer's annuities by agents.
- 1257 (h) "Material conflict of interest" means a financial
1258 interest of the agent in the sale of an annuity which a
1259 reasonable person would expect to influence the impartiality of
1260 a recommendation. The term does not include cash compensation or
1261 noncash compensation.
- 1262 (i) "Noncash compensation" means any form of compensation
1263 that is not cash compensation, including, but not limited to,
1264 health insurance, office rent, office support, and retirement
1265 benefits.
- 1266 (j) "Nonguaranteed elements" means the premiums; credited
1267 interest rates, including any bonus; benefits; values;
1268 dividends; noninterest-based credits; charges; or elements of
1269 formulas used to determine any of these, which are subject to
1270 company discretion and are not guaranteed at issue. An element
1271 is considered nonguaranteed if any of the underlying
1272 nonguaranteed elements are used in its calculation.
- 1273 ~~(k)~~ "Recommendation" means advice provided by an ~~insurer~~
1274 ~~or its~~ agent to an individual a consumer which was intended to
1275 result or does result ~~which would result~~ in a ~~the~~ purchase, an
1276 exchange, or a replacement of an annuity in accordance with that

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1277 advice. The term does not include general communication to the
1278 public, generalized customer services, assistance or
1279 administrative support, general educational information and
1280 tools, prospectuses, or other product and sales material.

1281 (1) ~~(f)~~ "Replacement" means a transaction in which a new
1282 annuity ~~policy or contract~~ is to be purchased and it is known or
1283 should be known to the proposing ~~insurer or its~~ agent, or to the
1284 proposing insurer whether or not an agent is involved, that by
1285 reason of such transaction an existing annuity or other
1286 insurance policy has been or is to be any of the following ~~or~~
1287 contract will be:

1288 1. Lapsed, forfeited, surrendered or partially surrendered,
1289 assigned to the replacing insurer, or otherwise terminated;

1290 2. Converted to reduced paid-up insurance, continued as
1291 extended term insurance, or otherwise reduced in value due to
1292 the use of nonforfeiture benefits or other policy values;

1293 3. Amended so as to effect a reduction in benefits or the
1294 term for which coverage would otherwise remain in force or for
1295 which benefits would be paid;

1296 4. Reissued with a reduction in cash value; or

1297 5. Used in a financed purchase.

1298 (m) "SEC" means the United States Securities and Exchange
1299 Commission.

1300 ~~(g) "Suitability information" means information related to~~
1301 ~~the consumer which is reasonably appropriate to determine the~~
1302 ~~suitability of a recommendation made to the consumer, including~~
1303 ~~the following:~~

1304 ~~1. Age;~~

1305 ~~2. Annual income;~~

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1306 ~~3. Financial situation and needs, including the financial~~
1307 ~~resources used for funding the annuity;~~
1308 ~~4. Financial experience;~~
1309 ~~5. Financial objectives;~~
1310 ~~6. Intended use of the annuity;~~
1311 ~~7. Financial time horizon;~~
1312 ~~8. Existing assets, including investment and life insurance~~
1313 ~~holdings;~~
1314 ~~9. Liquidity needs;~~
1315 ~~10. Liquid net worth;~~
1316 ~~11. Risk tolerance; and~~
1317 ~~12. Tax status.~~

1318 (4) EXEMPTIONS.—Unless otherwise specifically included,
1319 this section does not apply to transactions involving:
1320 (a) Direct-response solicitations where there is no
1321 recommendation based on information collected from the consumer
1322 pursuant to this section;
1323 (b) Contracts used to fund:
1324 1. An employee pension or welfare benefit plan that is
1325 covered by the federal Employee Retirement and Income Security
1326 Act;
1327 2. A plan described by s. 401(a), s. 401(k), s. 403(b), s.
1328 408(k), or s. 408(p) of the Internal Revenue Code, if
1329 established or maintained by an employer;
1330 3. A government or church plan defined in s. 414 of the
1331 Internal Revenue Code, a government or church welfare benefit
1332 plan, or a deferred compensation plan of a state or local
1333 government or tax-exempt organization under s. 457 of the
1334 Internal Revenue Code; or

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1335 4. A nonqualified deferred compensation arrangement
1336 established or maintained by an employer or plan sponsor;

1337 ~~(c)5.~~ Settlements or assumptions of liabilities associated
1338 with personal injury litigation or a dispute or claim-resolution
1339 process; or

1340 ~~(d)6.~~ Formal prepaid funeral contracts.

1341 (5) DUTIES OF INSURERS AND AGENTS.—

1342 (a) An agent, when making a recommendation of an annuity,
1343 shall act in the best interest of the consumer under the
1344 circumstances known at the time the recommendation is made,
1345 without placing the financial interest of the agent or insurer
1346 ahead of the consumer's interest. An agent has acted in the best
1347 interest of the consumer if the agent has satisfied the
1348 following obligations regarding care, disclosure, conflict of
1349 interest, and documentation:

1350 1.a. The agent, in making a recommendation, shall exercise
1351 reasonable diligence, care, and skill to:

1352 (I) Know the financial situation, insurance needs, and
1353 financial objectives of the customer.

1354 (II) Understand the available options after making a
1355 reasonable inquiry into options available to the agent.

1356 (III) Have a reasonable basis to believe the recommended
1357 option effectively addresses the consumer's financial situation,
1358 insurance needs, and financial objectives over the life of the
1359 product, as evaluated in light of the consumer profile
1360 information.

1361 (IV) Communicate the reason or reasons for the
1362 recommendation.

1363 b. The requirements of sub-subparagraph a. include:

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1364 (I) Making reasonable efforts to obtain consumer profile
1365 information from the consumer before the recommendation of an
1366 annuity.

1367 (II) Requiring an agent to consider the types of products
1368 the agent is authorized and licensed to recommend or sell which
1369 address the consumer's financial situation, insurance needs, and
1370 financial objectives. This does not require analysis or
1371 consideration of any products outside the authority and license
1372 of the agent or other possible alternative products or
1373 strategies available in the market at the time of the
1374 recommendation. Agents shall be held to standards applicable to
1375 agents with similar authority and licensure.

1376 (III) Having a reasonable basis to believe the consumer
1377 would benefit from certain features of the annuity, such as
1378 annuitization, death or living benefit, or other insurance-
1379 related features.

1380 c. The requirements of this subsection do not create a
1381 fiduciary obligation or relationship and only create a
1382 regulatory obligation as provided in this section.

1383 d. The consumer profile information, characteristics of the
1384 insurer, and product costs, rates, benefits, and features are
1385 those factors generally relevant in making a determination
1386 whether an annuity effectively addresses the consumer's
1387 financial situation, insurance needs, and financial objectives,
1388 but the level of importance of each factor under the care
1389 obligation of this paragraph may vary depending on the facts and
1390 circumstances of a particular case. However, each factor may not
1391 be considered in isolation.

1392 e. The requirements under sub-subparagraph a. apply to the

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1393 particular annuity as a whole and the underlying subaccounts to
1394 which funds are allocated at the time of purchase or exchange of
1395 an annuity, and riders and similar product enhancements, if any.

1396 f. Sub-subparagraph a. does not require that the annuity
1397 with the lowest one-time occurrence compensation structure or
1398 multiple occurrence compensation structure shall necessarily be
1399 recommended.

1400 g. Sub-subparagraph a. does not require the agent to have
1401 ongoing monitoring obligations under the care obligation,
1402 although such an obligation may be separately owed under the
1403 terms of a fiduciary, consulting, investment, advising, or
1404 financial planning agreement between the consumer and the agent.

1405 h. In the case of an exchange or replacement of an annuity,
1406 the agent shall consider the whole transaction, which includes
1407 taking into consideration whether:

1408 (I) The consumer will incur a surrender charge; be subject
1409 to the commencement of a new surrender period; lose existing
1410 benefits, such as death, living, or other contractual benefits;
1411 or be subject to increased fees, investment advisory fees, or
1412 charges for riders and similar product enhancements.

1413 (II) The replacing product would substantially benefit the
1414 consumer in comparison to the replaced product over the life of
1415 the product.

1416 (III) The consumer has had another annuity exchange or
1417 replacement and, in particular, an exchange or replacement
1418 within the preceding 60 months.

1419 i. This section does not require an agent to obtain any
1420 license other than an agent license with the appropriate line of
1421 authority to sell, solicit, or negotiate insurance in this

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1422 state, including, but not limited to, any securities license, in
1423 order to fulfill the duties and obligations contained in this
1424 section; provided, the agent does not give advice or provide
1425 services that are otherwise subject to securities laws or engage
1426 in any other activity requiring other professional licenses.

1427 2.a. Before the recommendation or sale of an annuity, the
1428 agent shall prominently disclose to the consumer, on a form
1429 substantially similar to that posted on the office website as
1430 Appendix A, related to an insurance agent disclosure for
1431 annuities:

1432 (I) A description of the scope and terms of the
1433 relationship with the consumer and the role of the agent in the
1434 transaction.

1435 (II) An affirmative statement on whether the agent is
1436 licensed and authorized to sell the following products:

1437 (A) Fixed annuities.

1438 (B) Fixed indexed annuities.

1439 (C) Variable annuities.

1440 (D) Life insurance.

1441 (E) Mutual funds.

1442 (F) Stocks and bonds.

1443 (G) Certificates of deposit.

1444 (III) An affirmative statement describing the insurers for
1445 which the agent is authorized, contracted, or appointed, or
1446 otherwise able to sell insurance products, using the following
1447 descriptions:

1448 (A) From one insurer;

1449 (B) From two or more insurers; or

1450 (C) From two or more insurers, although primarily

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1451 contracted with one insurer.

1452 (IV) A description of the sources and types of cash
1453 compensation and noncash compensation to be received by the
1454 agent, including whether the agent is to be compensated for the
1455 sale of a recommended annuity by commission as part of premium
1456 or other remuneration received from the insurer, intermediary,
1457 or other agent, or by fee as a result of a contract for advice
1458 or consulting services.

1459 (V) A notice of the consumer's right to request additional
1460 information regarding cash compensation described in sub-
1461 subparagraph b.

1462 b. Upon request of the consumer or the consumer's
1463 designated representative, the agent shall disclose:

1464 (I) A reasonable estimate of the amount of cash
1465 compensation to be received by the agent, which may be stated as
1466 a range of amounts or percentages.

1467 (II) Whether the cash compensation is a one-time or
1468 multiple occurrence amount; and if a multiple occurrence amount,
1469 the frequency and amount of the occurrence, which may be stated
1470 as a range of amounts or percentages. ~~When recommending the~~
1471 ~~purchase or exchange of an annuity to a consumer which results~~
1472 ~~in an insurance transaction or series of insurance transactions,~~
1473 ~~the agent, or the insurer where no agent is involved, must have~~
1474 ~~reasonable grounds for believing that the recommendation is~~
1475 ~~suitable for the consumer, based on the consumer's suitability~~
1476 ~~information, and that there is a reasonable basis to believe all~~
1477 ~~of the following:~~

1478 ~~c.1.~~ Before or at the time of the recommendation or sale of
1479 an annuity, the agent shall have a reasonable basis to believe

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1480 the consumer has been ~~reasonably~~ informed of various features of
1481 the annuity, such as the potential surrender period and
1482 surrender charge; potential tax penalty if the consumer sells,
1483 exchanges, surrenders, or annuitizes the annuity; mortality and
1484 expense fees; any annual fees; investment advisory fees;
1485 potential charges for and features of riders or other options of
1486 the annuity; limitations on interest returns; potential changes
1487 in nonguaranteed elements of the annuity; insurance and
1488 investment components; and market risk.

1489 ~~2. The consumer would benefit from certain features of the~~
1490 ~~annuity, such as tax-deferred growth, annuitization, or the~~
1491 ~~death or living benefit.~~

1492 3. An agent shall identify and avoid or reasonably manage
1493 and disclose material conflicts of interest, including material
1494 conflicts of interest related to an ownership interest.

1495 4. An agent shall at the time of the recommendation or
1496 sale:

1497 a. Make a written record of any recommendation and the
1498 basis for the recommendation, subject to this section.

1499 b. Obtain a consumer-signed statement on a form
1500 substantially similar to that posted on the office website as
1501 Appendix B, related to a consumer's refusal to provide
1502 information, documenting:

1503 (I) A customer's refusal to provide the consumer profile
1504 information, if any.

1505 (II) A customer's understanding of the ramifications of not
1506 providing his or her consumer profile information or providing
1507 insufficient consumer profile information.

1508 c. Obtain a consumer-signed statement on a form

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1509 substantially similar to that posted on the office website as
1510 Appendix C, related to a consumer's decision to purchase an
1511 annuity not based on a recommendation, acknowledging the annuity
1512 transaction is not recommended if a customer decides to enter
1513 into an annuity transaction that is not based on the agent's
1514 recommendation.

1515 5. Any requirement applicable to an agent under this
1516 subsection applies to every agent who has exercised material
1517 control or influence in the making of a recommendation and has
1518 received direct compensation as a result of the recommendation
1519 or sale, regardless of whether the agent has had any direct
1520 contact with the consumer. Activities such as providing or
1521 delivering marketing or education materials, product wholesaling
1522 or other back office product support, and general supervision of
1523 an agent do not, in and of themselves, constitute material
1524 control or influence.

1525 ~~3. The particular annuity as a whole, the underlying~~
1526 ~~subaccounts to which funds are allocated at the time of purchase~~
1527 ~~or exchange of the annuity, and riders and similar product~~
1528 ~~enhancements, if any, are suitable; and, in the case of an~~
1529 ~~exchange or replacement, the transaction as a whole is suitable~~
1530 ~~for the particular consumer based on his or her suitability~~
1531 ~~information.~~

1532 ~~4. In the case of an exchange or replacement of an annuity,~~
1533 ~~the exchange or replacement is suitable after considering~~
1534 ~~whether the consumer:~~

1535 ~~a. Will incur a surrender charge; be subject to the~~
1536 ~~commencement of a new surrender period; lose existing benefits,~~
1537 ~~such as death, living, or other contractual benefits; or be~~

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1538 ~~subject to increased fees, investment advisory fees, or charges~~
1539 ~~for riders and similar product enhancements;~~

1540 ~~b. Would benefit from product enhancements and~~
1541 ~~improvements; and~~

1542 ~~e. Has had another annuity exchange or replacement,~~
1543 ~~including an exchange or replacement within the preceding 36~~
1544 ~~months.~~

1545 ~~(b) Before executing a purchase, exchange, or replacement~~
1546 ~~of an annuity resulting from a recommendation, an insurer or its~~
1547 ~~agent must make reasonable efforts to obtain the consumer's~~
1548 ~~suitability information. The information shall be collected on~~
1549 ~~form DFS-H1-1980, which is hereby incorporated by reference, and~~
1550 ~~completed and signed by the applicant and agent. Questions~~
1551 ~~requesting this information must be presented in at least 12-~~
1552 ~~point type and be sufficiently clear so as to be readily~~
1553 ~~understandable by both the agent and the consumer. A true and~~
1554 ~~correct executed copy of the form must be provided by the agent~~
1555 ~~to the insurer, or to the person or entity that has contracted~~
1556 ~~with the insurer to perform this function as authorized by this~~
1557 ~~section, within 10 days after execution of the form, and shall~~
1558 ~~be provided to the consumer no later than the date of delivery~~
1559 ~~of the contract or contracts.~~

1560 ~~(c) Except as provided under paragraph (d), an insurer may~~
1561 ~~not issue an annuity recommended to a consumer unless there is a~~
1562 ~~reasonable basis to believe the annuity is suitable based on the~~
1563 ~~consumer's suitability information.~~

1564 ~~(b)1.(d) Except as provided under subparagraph 2., An~~
1565 ~~insurer's issuance of an annuity must be reasonable based on all~~
1566 ~~the circumstances actually known to the insurer at the time the~~

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1567 ~~annuity is issued. However, an insurer or its agent~~ does not
 1568 have ~~does not have~~ an obligation to a consumer related to an
 1569 annuity transaction under subparagraph (a)1. ~~paragraph (a) or~~
 1570 ~~paragraph (c)~~ if:

1571 a.1. A recommendation has not been made;

1572 b.2. A recommendation was made and is later found to have
 1573 been based on materially inaccurate information provided by the
 1574 consumer;

1575 c.3. A consumer refuses to provide relevant consumer
 1576 profile suitability information and the annuity transaction is
 1577 not recommended; or

1578 d.4. A consumer decides to enter into an annuity
 1579 transaction that is not based on a recommendation of the ~~an~~
 1580 ~~insurer or its agent.~~

1581 2. An insurer's issuance of an annuity subject to
 1582 subparagraph 1. must be reasonable under all the circumstances
 1583 actually known to the insurer at the time the annuity is issued.

1584 (c)1. Except as permitted under paragraph (b), an insurer
 1585 may not issue an annuity recommended to a consumer unless there
 1586 is a reasonable basis to believe the annuity would effectively
 1587 address the particular consumer's financial situation, insurance
 1588 needs, and financial objectives based on the consumer's consumer
 1589 profile information.

1590 ~~(e) At the time of sale, the agent or the agent's~~
 1591 ~~representative must:~~

1592 ~~1. Make a record of any recommendation made to the consumer~~
 1593 ~~pursuant to paragraph (a);~~

1594 ~~2. Obtain the consumer's signed statement documenting his~~
 1595 ~~or her refusal to provide suitability information, if~~

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1596 applicable; and

1597 ~~3. Obtain the consumer's signed statement acknowledging~~
1598 ~~that an annuity transaction is not recommended if he or she~~
1599 ~~decides to enter into an annuity transaction that is not based~~
1600 ~~on the insurer's or its agent's recommendation, if applicable.~~

1601 ~~(f) Before executing a replacement or exchange of an~~
1602 ~~annuity contract resulting from a recommendation, the agent must~~
1603 ~~provide on form DFS-HI-1981, which is hereby incorporated by~~
1604 ~~reference, information that compares the differences between the~~
1605 ~~existing annuity contract and the annuity contract being~~
1606 ~~recommended in order to determine the suitability of the~~
1607 ~~recommendation and its benefit to the consumer. A true and~~
1608 ~~correct executed copy of this form must be provided by the agent~~
1609 ~~to the insurer, or to the person or entity that has contracted~~
1610 ~~with the insurer to perform this function as authorized by this~~
1611 ~~section, within 10 days after execution of the form, and must be~~
1612 ~~provided to the consumer no later than the date of delivery of~~
1613 ~~the contract or contracts.~~

1614 2.(g) An insurer shall establish and maintain a supervision
1615 system that is reasonably designed to achieve the insurer's and
1616 its agent's compliance with this section, including, but not
1617 limited to, the following:-

1618 ~~1. Such system must include, but is not limited to:~~

1619 a. The insurer shall establish and maintain ~~Maintaining~~
1620 reasonable procedures to inform its agents of the requirements
1621 of this section and incorporating those requirements into
1622 relevant agent training manuals.†

1623 b. The insurer shall establish and maintain ~~Establishing~~
1624 standards for agent product training and shall establish and

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1625 maintain reasonable procedures to require its agents to comply
1626 with the requirements of subsection (6).~~†~~

1627 c. The insurer shall provide ~~Providing~~ product-specific
1628 training and training materials that explain all material
1629 features of its annuity products to its agents.~~†~~

1630 d. The insurer shall establish and maintain ~~Maintaining~~
1631 procedures for the review of each recommendation before issuance
1632 of an annuity which are designed to ensure that there is a
1633 reasonable basis to determine the recommended annuity would
1634 effectively address the particular consumer's financial
1635 situation, insurance needs, and financial objectives ~~for~~
1636 ~~determining that a recommendation is suitable~~. Such review
1637 procedures may use a screening system for identifying selected
1638 transactions for additional review and may be accomplished
1639 electronically or through other means, including, but not
1640 limited to, physical review. Such electronic or other system may
1641 be designed to require additional review only of those
1642 transactions identified for additional review using established
1643 selection criteria.~~†~~

1644 e. The insurer shall establish and maintain ~~Maintaining~~
1645 reasonable procedures to detect recommendations that are not in
1646 compliance with paragraphs (a), (b), (d), and (e). This may
1647 include, but is not limited to, ~~suitable, such as~~ confirmation
1648 of consumer profile ~~suitability~~ information, systematic customer
1649 surveys, agent and consumer interviews, confirmation letters,
1650 agent statements or attestations, and internal monitoring
1651 programs. This sub-subparagraph does not prevent an insurer from
1652 using sampling procedures or from confirming the consumer
1653 profile ~~suitability~~ information after the issuance or delivery

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1654 of the annuity.~~;~~ and

1655 f. The insurer shall establish and maintain reasonable
1656 procedures to assess, prior to or upon issuance or delivery of
1657 an annuity, whether an agent has provided to the consumer the
1658 information required to be provided under this subsection.

1659 g. The insurer shall establish and maintain reasonable
1660 procedures to identify and address suspicious consumer refusals
1661 to provide consumer profile information.

1662 h. The insurer shall establish and maintain reasonable
1663 procedures to identify and eliminate any sales contests, sales
1664 quotas, bonuses, and noncash compensation that are based on the
1665 sales of specific annuities within a limited period of time. The
1666 requirements of this sub-subparagraph are not intended to
1667 prohibit the receipt of health insurance, office rents, office
1668 support, retirement benefits, or other employee benefits by
1669 employees, as long as those benefits are not based upon the
1670 volume of sales of a specific annuity within a limited period of
1671 time.

1672 ~~i.f.~~ The insurer shall annually provide ~~providing~~ a written
1673 report to senior managers, including the senior manager who is
1674 responsible for audit functions, which details a review, along
1675 with appropriate testing, which is reasonably designed to
1676 determine the effectiveness of the supervision system, the
1677 exceptions found, and corrective action taken or recommended, if
1678 any.

1679 ~~3.2.~~ An insurer is not required to include in its
1680 supervision system:

1681 a. Agent recommendations to consumers of products other
1682 than the annuities offered by the insurer; or

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1683 b. Consideration of or comparison to options available to
1684 the agent or compensation relating to those options other than
1685 annuities or other products offered by the insurer.

1686 ~~4.3.~~ An insurer may contract for performance of a function,
1687 including maintenance of procedures, required under subparagraph
1688 1.

1689 a. An insurer's supervision system under this subsection
1690 shall include supervision of contractual performance under this
1691 subsection, which includes, but is ~~If an insurer contracts for~~
1692 ~~the performance of a function, the insurer must include the~~
1693 ~~supervision of contractual performance as part of those~~
1694 ~~procedures listed in subparagraph 1. These include, but are not~~
1695 limited to:

1696 (I) Monitoring and, as appropriate, conducting audits to
1697 ensure that the contracted function is properly performed; and

1698 (II) Annually obtaining a certification from a senior
1699 manager who has responsibility for the contracted function that
1700 the manager has a reasonable basis to represent, and does
1701 represent, ~~for representing~~ that the function is being properly
1702 performed.

1703 b. An insurer is responsible for taking appropriate
1704 corrective action and may be subject to sanctions and penalties
1705 pursuant to subsection (8) ~~(7)~~ regardless of whether the insurer
1706 contracts for performance of a function and regardless of the
1707 insurer's compliance with sub-subparagraph a.

1708 ~~(d)(h)~~ Neither an agent nor an insurer shall ~~may not~~
1709 dissuade, or attempt to dissuade, a consumer from:

1710 1. Truthfully responding to an insurer's request for
1711 confirmation of consumer profile ~~suitability~~ information;

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1712 2. Filing a complaint; or

1713 3. Cooperating with the investigation of a complaint.

1714 (e)1.(i) Recommendations and sales made in compliance with

1715 comparable standards shall ~~FINRA requirements pertaining to the~~

1716 ~~suitability and supervision of annuity transactions~~ satisfy the

1717 requirements of this section. This applies to all

1718 recommendations and ~~FINRA broker-dealer~~ sales of variable

1719 annuities made by financial professionals in compliance with

1720 business rules, controls, and procedures that satisfy a

1721 comparable standard even if such standard would not otherwise

1722 apply to the product or recommendation at issue ~~and fixed~~

1723 ~~annuities if the suitability and supervision is similar to those~~

1724 ~~applied to variable annuity sales.~~ However, this paragraph does

1725 not limit the ability of the office or the department to

1726 investigate and enforce, ~~including investigate, the provisions~~

1727 ~~of~~ this section.

1728 2. Subparagraph 1. does not limit the insurer's obligation

1729 to comply with subparagraph (c)1., although the insurer may base

1730 its analysis on information received from either the financial

1731 professional or the entity supervising the financial

1732 professional.

1733 3. For subparagraph 1. this paragraph to apply, an insurer

1734 must:

1735 a.1. Monitor relevant conduct of the financial professional

1736 seeking to rely on subparagraph 1. or the entity responsible for

1737 supervising the financial professional, such as the financial

1738 professional's broker-dealer or an investment adviser registered

1739 under federal or state securities law, ~~the FINRA member broker-~~

1740 ~~dealer~~ using information collected in the normal course of an

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1741 insurer's business; and

1742 ~~b.2.~~ Provide to the entity responsible for supervising the
1743 financial professional seeking to rely on subparagraph 1., such
1744 as the financial professional's broker-dealer or investment
1745 adviser registered under federal or state securities laws, ~~FINRA~~
1746 ~~member broker-dealer~~ information and reports that are reasonably
1747 appropriate to assist such entity ~~the FINRA member broker-dealer~~
1748 in maintaining its supervision system.

1749 4. For purposes of this paragraph, the term:

1750 a. "Comparable standards" means:

1751 (I) With respect to broker-dealers and registered
1752 representatives of broker-dealers, applicable SEC and FINRA
1753 rules pertaining to best interest obligations and supervision of
1754 annuity recommendations and sales, including, but not limited
1755 to, Regulation Best Interest, 17 C.F.R. s. 240.151-1, and any
1756 amendments or successor regulations thereto;

1757 (II) With respect to investment advisers registered under
1758 federal or state securities laws or investment adviser
1759 representatives, the fiduciary duties and all other requirements
1760 imposed on such investment advisers or investment adviser
1761 representatives by contract or under the Investment Advisers Act
1762 of 1940 or applicable state securities laws, including, but not
1763 limited to, Form ADV and interpretations; and

1764 (III) With respect to plan fiduciaries or fiduciaries, the
1765 duties, obligations, prohibitions, and all other requirements
1766 attendant to such status under the Employee Retirement Income
1767 Security Act of 1974 or the Internal Revenue Code and any
1768 amendments or successor statutes thereto.

1769 b. "Financial professional" means an agent that is

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1770 regulated and acting as:

1771 (I) A broker-dealer registered under federal or state
1772 securities laws or a registered representative of a broker-
1773 dealer;

1774 (II) An investment adviser registered under federal or
1775 state securities laws or an investment adviser representative
1776 associated with the federal or state registered investment
1777 adviser; or

1778 (III) A plan fiduciary under s. 3(21) of the Employee
1779 Retirement Income Security Act of 1974 or fiduciary under s.
1780 4975(e) (3) of the Internal Revenue Code or any amendments or
1781 successor statutes thereto.

1782 (6) AGENT TRAINING.—

1783 (a) An agent shall not solicit the sale of an annuity
1784 product unless the agent has adequate knowledge of the product
1785 to recommend the annuity and the agent is in compliance with the
1786 insurer's standards for product training. An agent may rely on
1787 insurer-provided, product-specific training standards and
1788 materials to comply with this subsection.

1789 (b)1.a. An agent who engages in the sale of annuity
1790 products shall complete a one-time 4-hour training course. This
1791 requirement is not part of an agent's continuing education
1792 requirement in s. 626.2815; however, if a course provider
1793 submits and receives approval from the department, the course is
1794 eligible for continuing education credit pursuant to s.
1795 626.2815.

1796 b. Agents who hold a life insurance line of authority on
1797 January 1, 2024, and who desire to sell annuities shall complete
1798 the requirements of this subsection by July 1, 2024. Individuals

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1799 who obtain a life insurance line of authority after January 1,
1800 2024, may not engage in the sale of annuities until the annuity
1801 training course required under this subsection has been
1802 completed.

1803 2. The minimum length of the training required under this
1804 subsection is 4 hours.

1805 3. The training required under this subsection shall
1806 include information on the following topics:

1807 a. The types of annuities and various classifications of
1808 annuities.

1809 b. Identification of the parties to an annuity.

1810 c. How product-specific annuity contract features affect
1811 consumers.

1812 d. The application of income taxation of qualified and
1813 nonqualified annuities.

1814 e. The primary uses of annuities.

1815 f. The appropriate standard of conduct, sales practices,
1816 replacement, and disclosure requirements.

1817 4. Providers of courses intended to comply with this
1818 subsection shall cover all topics listed in the prescribed
1819 outline and shall not present any marketing information or
1820 provide training on sales techniques or provide specific
1821 information about a particular insurer's products. Additional
1822 topics may be offered in conjunction with and in addition to the
1823 required outline.

1824 5. An agent who has completed an annuity training course
1825 before January 1, 2024, shall, by July 1, 2024, complete either:

1826 a. A new 4-hour training course; or

1827 b. An additional 1-hour training course on appropriate

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1828 sales practices, replacement, and disclosure requirements under
1829 this section.

1830 6. Annuity training courses may be conducted and completed
1831 by classroom or self-study methods.

1832 7. Providers of annuity training shall issue certificates
1833 of completion.

1834 8. The satisfaction of the training requirements of another
1835 state that are substantially similar to the provisions of this
1836 subsection shall be deemed to satisfy the training requirements
1837 of this subsection in this state.

1838 9. The satisfaction of the training requirements of any
1839 course or courses with components substantially similar to the
1840 provisions of this subsection shall be deemed to satisfy the
1841 training requirements of this subsection in this state.

1842 10. An insurer shall verify that an agent has completed the
1843 annuity training course required under this subsection before
1844 allowing the agent to sell an annuity product for that insurer.

1845 (7)~~(6)~~ RECORDKEEPING.-

1846 (a) Insurers and agents must maintain or be able to make
1847 available to the office or department records of the information
1848 collected from the consumer and other information used in making
1849 the recommendations that were the basis for insurance
1850 transactions for 5 years after the insurance transaction is
1851 completed by the insurer. An insurer may maintain the
1852 documentation on behalf of its agent.

1853 (b) Records required to be maintained under this subsection
1854 may be maintained in paper, photographic, microprocess,
1855 magnetic, mechanical, or electronic media, or by any process
1856 that accurately reproduces the actual document.

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1857 (8)~~(7)~~ COMPLIANCE MITIGATION; PENALTIES.—

1858 (a) An insurer is responsible for compliance with this
1859 section. If a violation occurs because of the action or inaction
1860 of the insurer or its agent which results in harm to a consumer,
1861 the office may order the insurer to take reasonably appropriate
1862 corrective action for the consumer and may impose appropriate
1863 penalties and sanctions.

1864 (b) The department may order:

1865 1. An ~~insurance~~ agent to take reasonably appropriate
1866 corrective action for a consumer harmed by a violation of this
1867 section by the ~~insurance~~ agent, including monetary restitution
1868 of penalties or fees incurred by the consumer, and impose
1869 appropriate penalties and sanctions.

1870 2. A managing general agency or insurance agency that
1871 employs or contracts with an ~~insurance~~ agent to sell or solicit
1872 the sale of annuities to consumers to take reasonably
1873 appropriate corrective action for a consumer harmed by a
1874 violation of this section by the ~~insurance~~ agent.

1875 (c) In addition to any other penalty authorized under
1876 chapter 626, the department shall order an insurance agent to
1877 pay restitution to a consumer who has been deprived of money by
1878 the agent's misappropriation, conversion, or unlawful
1879 withholding of moneys belonging to the consumer in the course of
1880 a transaction involving annuities. The amount of restitution
1881 required to be paid may not exceed the amount misappropriated,
1882 converted, or unlawfully withheld. This paragraph does not limit
1883 or restrict a person's right to seek other remedies as provided
1884 by law.

1885 (d) Any applicable penalty under the Florida Insurance Code

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1886 for a violation of this section shall be reduced or eliminated
 1887 according to a schedule adopted by the office or the department,
 1888 as appropriate, if corrective action for the consumer was taken
 1889 promptly after a violation was discovered.

1890 (e) A violation of this section does not create or imply a
 1891 private cause of action.

1892 (9)~~(8)~~ PROHIBITED CHARGES.—An annuity contract issued to a
 1893 senior consumer age 65 or older may not contain a surrender or
 1894 deferred sales charge for a withdrawal of money from an annuity
 1895 exceeding 10 percent of the amount withdrawn. The charge shall
 1896 be reduced so that no surrender or deferred sales charge exists
 1897 after the end of the 10th policy year or 10 years after the date
 1898 of each premium payment if multiple premiums are paid, whichever
 1899 is later. This subsection does not apply to annuities purchased
 1900 by an accredited investor, as defined in Regulation D as adopted
 1901 by the United States Securities and Exchange Commission, or to
 1902 those annuities specified in paragraph (4) (b).

1903 (10)~~(9)~~ RULES.—The department and the commission may adopt
 1904 rules to administer this section. The department may adopt by
 1905 rule the forms prescribed in the National Association of
 1906 Insurance Commissioners Suitability in Annuity Transactions
 1907 Model Regulation Appendix A - Insurance Agent (Producer)
 1908 Disclosure for Annuities, Appendix B - Consumer Refusal to
 1909 Provide Information, and Appendix C - Consumer Decision to
 1910 Purchase an Annuity Not Based on a Recommendation.

1911 Section 17. Subsection (5) is added to section 627.70132,
 1912 Florida Statutes, to read:

1913 627.70132 Notice of property insurance claim.—

1914 (5) For loss assessment claims made under s. 627.714, the

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1915 notice of claim must be given to the insurer in accordance with
1916 the terms of the policy within 3 years of the date of loss.

1917 Section 18. Paragraph (b) of subsection (8) of section
1918 634.041, Florida Statutes, is amended to read:

1919 634.041 Qualifications for license.—To qualify for and hold
1920 a license to issue service agreements in this state, a service
1921 agreement company must be in compliance with this part, with
1922 applicable rules of the commission, with related sections of the
1923 Florida Insurance Code, and with its charter powers and must
1924 comply with the following:

1925 (8)

1926 (b) A service agreement company does not have to establish
1927 and maintain an unearned premium reserve if it secures and
1928 maintains contractual liability insurance in accordance with the
1929 following:

1930 1. Coverage of 100 percent of the claim exposure is
1931 obtained from an insurer approved by the office, which holds a
1932 certificate of authority under s. 624.401 to do business within
1933 this state, or secured through a risk retention group, which is
1934 authorized to do business within this state under s. 627.943 or
1935 s. 627.944. Such insurer or risk retention group must maintain a
1936 surplus as regards policyholders of at least \$15 million.

1937 2. If the service agreement company does not meet its
1938 contractual obligations, the contractual liability insurance
1939 policy binds its issuer to pay or cause to be paid to the
1940 service agreement holder all legitimate claims and cancellation
1941 refunds for all service agreements issued by the service
1942 agreement company while the policy was in effect. This
1943 requirement also applies to those service agreements for which

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1944 no premium has been remitted to the insurer.

1945 3. If the issuer of the contractual liability policy is
1946 fulfilling the service agreements covered by the contractual
1947 liability policy and the service agreement holder cancels the
1948 service agreement, the issuer must make a full refund of
1949 unearned premium to the consumer, subject to the cancellation
1950 fee provisions of s. 634.121(3). The sales representative and
1951 agent must refund to the contractual liability policy issuer
1952 their unearned pro rata commission.

1953 4. The policy may not be canceled, terminated, or
1954 nonrenewed by the insurer or the service agreement company
1955 unless a 90-day written notice thereof has been given to the
1956 office by the insurer before the date of the cancellation,
1957 termination, or nonrenewal.

1958 5. The service agreement company must provide the office
1959 with the claims statistics.

1960 6. A policy issued in compliance with this paragraph may
1961 either pay 100 percent of claims as they are incurred, or 100
1962 percent of claims due in the event of the failure of the service
1963 agreement company to pay such claims when due.

1964
1965 All funds or premiums remitted to an insurer by a motor vehicle
1966 service agreement company under this part shall remain in the
1967 care, custody, and control of the insurer and shall be counted
1968 as an asset of the insurer; provided, however, this requirement
1969 does not apply when the insurer and the motor vehicle service
1970 agreement company are affiliated companies and members of an
1971 insurance holding company system. If the motor vehicle service
1972 agreement company chooses to comply with this paragraph but also

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1973 maintains a reserve to pay claims, such reserve shall only be
 1974 considered an asset of the covered motor vehicle service
 1975 agreement company and may not be simultaneously counted as an
 1976 asset of any other entity.

1977 Section 19. Paragraphs (d), (e), and (f) of subsection (17)
 1978 of section 634.401, Florida Statutes, are amended to read:

1979 634.401 Definitions.—As used in this part, the term:

1980 (17) "Manufacturer" means any entity or its affiliate
 1981 which:

1982 ~~(d) Maintains outstanding debt obligations, if any, rated~~
 1983 ~~in the top four rating categories by a recognized rating~~
 1984 ~~service;~~

1985 (d)~~(e)~~ Has and maintains at all times, a minimum net worth
 1986 of at least \$100 ~~\$10~~ million as evidenced by certified financial
 1987 statements prepared by an independent certified public
 1988 accountant in accordance with generally accepted accounting
 1989 principles; and

1990 (e)~~(f)~~ Is authorized to do business in this state.

1991 Section 20. Paragraph (a) of subsection (7) of section
 1992 634.406, Florida Statutes, is amended to read:

1993 634.406 Financial requirements.—

1994 (7) An association licensed under this part and holding no
 1995 other license under part I or part II of this chapter is not
 1996 required to establish an unearned premium reserve or maintain
 1997 contractual liability insurance and may allow its premiums to
 1998 exceed the ratio to net assets limitation of this section if the
 1999 association complies with the following:

2000 (a) The association or, if the association is a direct or
 2001 indirect wholly owned subsidiary of a parent corporation, its

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2002 parent corporation has, and maintains at all times, a minimum
2003 net worth of at least \$100 million and provides the office with
2004 the following:

2005 1. A copy of the association's annual audited financial
2006 statements or the audited consolidated financial statements of
2007 the association's parent corporation, prepared by an independent
2008 certified public accountant in accordance with generally
2009 accepted accounting principles, which clearly demonstrate the
2010 net worth of the association or its parent corporation to be
2011 \$100 million and a quarterly written certification to the office
2012 that such entity continues to maintain the net worth required
2013 under this paragraph.

2014 2. The association's, or its parent corporation's, Form 10-
2015 K, Form 10-Q, or Form 20-F as filed with the United States
2016 Securities and Exchange Commission or such other documents
2017 required to be filed with a recognized stock exchange, which
2018 shall be provided on a quarterly and annual basis within 10 days
2019 after the last date each such report must be filed with the
2020 Securities and Exchange Commission, the National Association of
2021 Security Dealers Automated Quotation system, or other recognized
2022 stock exchange.

2023
2024 Failure to timely file the documents required under this
2025 paragraph may, at the discretion of the office, subject the
2026 association to suspension or revocation of its license under
2027 this part. ~~An association or parent corporation demonstrating~~
2028 ~~compliance with subparagraphs 1. and 2. must maintain~~
2029 ~~outstanding debt obligations, if any, rated in the top four~~
2030 ~~rating categories by a recognized rating service.~~

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2031 Section 21. Except as otherwise expressly provided in this
2032 act, this act shall take effect July 1, 2023.