

By the Committee on Banking and Insurance; and Senator Collins

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1 A bill to be entitled
2 An act relating to insurance; amending s. 626.7851,
3 F.S.; revising a minimum coursework qualification for
4 licensure as a life agent; amending s. 626.9541, F.S.;
5 providing that certain restrictions against unfair
6 discrimination or unlawful rebates do not include
7 value-added products or services offered or provided
8 by insurers or their agents if certain conditions are
9 met; providing requirements for and restrictions on
10 insurers or agents offering or providing such products
11 or services; authorizing insurers or agents to provide
12 such products or services as part of a pilot or
13 testing program under certain circumstances;
14 authorizing the Financial Services Commission to adopt
15 rules; providing an effective date.

16
17 Be It Enacted by the Legislature of the State of Florida:

18
19 Section 1. Section 626.7851, Florida Statutes, is amended
20 to read:

21 626.7851 Requirement as to knowledge, experience, or
22 instruction.—An applicant for a license as a life agent, except
23 for a chartered life underwriter (CLU), shall not be qualified
24 or licensed unless within the 4 years immediately preceding the
25 date the application for a license is filed with the department
26 he or she has:

27 (1) Successfully completed 30 ~~40~~ hours of coursework in
28 life insurance, annuities, and variable contracts approved by
29 the department, 3 hours of which shall be on the subject matter

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30 of ethics. Courses must include instruction on the subject
31 matter of unauthorized entities engaging in the business of
32 insurance;

33 (2) Successfully completed a minimum of 60 hours of
34 coursework in multiple areas of insurance, which included life
35 insurance, annuities, and variable contracts, approved by the
36 department, 3 hours of which shall be on the subject matter of
37 ethics. Courses must include instruction on the subject matter
38 of unauthorized entities engaging in the business of insurance;

39 (3) Earned or maintained an active designation as Chartered
40 Financial Consultant (ChFC) from the American College of
41 Financial Services; or Fellow, Life Management Institute (FLMI)
42 from the Life Management Institute;

43 (4) Held an active license in life insurance in another
44 state. This provision may not be used unless the other state
45 grants reciprocal treatment to licensees formerly licensed in
46 the state; or

47 (5) Been employed by the department or office for at least
48 1 year, full time in life insurance regulatory matters and who
49 was not terminated for cause, and application for examination is
50 made within 4 years after the date of termination of his or her
51 employment with the department or office.

52
53 Prelicensure coursework is not required for an applicant who is
54 a member or veteran of the United States Armed Forces or the
55 spouse of such a member or veteran. A qualified individual must
56 provide a copy of a military identification card, military
57 dependent identification card, military service record, military
58 personnel file, veteran record, discharge paper, or separation

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59 document that indicates such member is currently in good
60 standing or such veteran is honorably discharged.

61 Section 2. Paragraph (h) of subsection (1) of section
62 626.9541, Florida Statutes, is amended to read:

63 626.9541 Unfair methods of competition and unfair or
64 deceptive acts or practices defined.—

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

68 (h) *Unlawful rebates.*—

69 1. Except as otherwise expressly provided by law, or in an
70 applicable filing with the office, knowingly:

71 a. Permitting, or offering to make, or making, any contract
72 or agreement as to such contract other than as plainly expressed
73 in the insurance contract issued thereon;

74 b. Paying, allowing, or giving, or offering to pay, allow,
75 or give, directly or indirectly, as inducement to such insurance
76 contract, any unlawful rebate of premiums payable on the
77 contract, any special favor or advantage in the dividends or
78 other benefits thereon, or any valuable consideration or
79 inducement whatever not specified in the contract;

80 c. Giving, selling, or purchasing, or offering to give,
81 sell, or purchase, as inducement to such insurance contract or
82 in connection therewith, any stocks, bonds, or other securities
83 of any insurance company or other corporation, association, or
84 partnership, or any dividends or profits accrued thereon, or
85 anything of value whatsoever not specified in the insurance
86 contract.

87 2. Nothing in paragraph (g) or subparagraph 1. of this

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88 paragraph shall be construed as including within the definition
89 of discrimination or unlawful rebates:

90 a. In the case of any contract of life insurance or life
91 annuity, paying bonuses to all policyholders or otherwise
92 abating their premiums in whole or in part out of surplus
93 accumulated from nonparticipating insurance; provided that any
94 such bonuses or abatement of premiums is fair and equitable to
95 all policyholders and for the best interests of the company and
96 its policyholders.

97 b. In the case of life insurance policies issued on the
98 industrial debit plan, making allowance to policyholders who
99 have continuously for a specified period made premium payments
100 directly to an office of the insurer in an amount which fairly
101 represents the saving in collection expenses.

102 c. Readjustment of the rate of premium for a group
103 insurance policy based on the loss or expense thereunder, at the
104 end of the first or any subsequent policy year of insurance
105 thereunder, which may be made retroactive only for such policy
106 year.

107 d. Issuance of life insurance policies or annuity contracts
108 at rates less than the usual rates of premiums for such policies
109 or contracts, as group insurance or employee insurance as
110 defined in this code.

111 e. Issuing life or disability insurance policies on a
112 salary savings, bank draft, preauthorized check, payroll
113 deduction, or other similar plan at a reduced rate reasonably
114 related to the savings made by the use of such plan.

115 3.a. No title insurer, or any member, employee, attorney,
116 agent, or agency thereof, shall pay, allow, or give, or offer to

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117 pay, allow, or give, directly or indirectly, as inducement to
118 title insurance, or after such insurance has been effected, any
119 rebate or abatement of the premium or any other charge or fee,
120 or provide any special favor or advantage, or any monetary
121 consideration or inducement whatever.

122 b. Nothing in this subparagraph shall be construed as
123 prohibiting the payment of fees to attorneys at law duly
124 licensed to practice law in the courts of this state, for
125 professional services, or as prohibiting the payment of earned
126 portions of the premium to duly appointed agents or agencies who
127 actually perform services for the title insurer. Nothing in this
128 subparagraph shall be construed as prohibiting a rebate or
129 abatement of an attorney fee charged for professional services,
130 or that portion of the premium that is not required to be
131 retained by the insurer pursuant to s. 627.782(1), or any other
132 agent charge or fee to the person responsible for paying the
133 premium, charge, or fee.

134 c. No insured named in a policy, or any other person
135 directly or indirectly connected with the transaction involving
136 the issuance of such policy, including, but not limited to, any
137 mortgage broker, real estate broker, builder, or attorney, any
138 employee, agent, agency, or representative thereof, or any other
139 person whatsoever, shall knowingly receive or accept, directly
140 or indirectly, any rebate or abatement of any portion of the
141 title insurance premium or of any other charge or fee or any
142 monetary consideration or inducement whatsoever, except as set
143 forth in sub-subparagraph b.; provided, in no event shall any
144 portion of the attorney fee, any portion of the premium that is
145 not required to be retained by the insurer pursuant to s.

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146 627.782(1), any agent charge or fee, or any other monetary
147 consideration or inducement be paid directly or indirectly for
148 the referral of title insurance business.

149 4.a. Paragraph (g) or subparagraph 1. may not be construed
150 as including within the definition of discrimination or unlawful
151 rebates the offer or provision by an insurer or an agent of the
152 insurer, including by or through employees, affiliates, or
153 third-party representatives, of value-added products or services
154 at no or reduced cost when such products or services are not
155 specified in the insurance policy, if the product or service
156 relates to the insurance coverage and is primarily designed to
157 do one or more of the following:

158 (I) Provide loss mitigation or loss control;

159 (II) Reduce claim costs or claim settlement costs;

160 (III) Provide education about liability risks or risk of
161 loss to persons or property;

162 (IV) Monitor or assess risk, identify sources of risk, or
163 develop strategies for eliminating or reducing risk;

164 (V) Enhance health;

165 (VI) Enhance financial wellness through items such as
166 education or financial planning services;

167 (VII) Provide post-loss services;

168 (VIII) Incentivize behavioral changes to improve the health
169 or reduce the risk of death or disability of a policyholder,
170 potential policyholder, certificateholder, potential
171 certificateholder, insured, potential insured, or applicant; or

172 (IX) Assist in the administration of employee or retiree
173 benefit insurance coverage.

174 b. The cost to the insurer or agent offering the product or

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175 service to a customer must be reasonable in comparison to the
176 customer's premiums or insurance coverage for the policy class.

177 c. If the insurer or agent is providing the product or
178 service, the insurer or agent must ensure that the customer is
179 provided with contact information to assist the customer with
180 questions regarding the product or service.

181 d. The availability of the product or service must be based
182 on documented objective evidence, and the product or service
183 must be offered in a manner that is not unfairly discriminatory.
184 The documented evidence must be maintained by the insurer or
185 agent and produced upon request by the office or the department.

186 e. If an insurer or agent has a good faith belief, but does
187 not have sufficient evidence to demonstrate, that the product or
188 service meets any of the criteria in sub-sub-subparagraphs
189 a.(I)-(IX), the insurer or agent may provide the product or
190 service in a manner that is not unfairly discriminatory as part
191 of a pilot or testing program for up to 1 year. An insurer or
192 agent must notify the office or department, as applicable, of
193 such pilot or testing program offered to consumers in this state
194 before commencing the program. The insurer or agent may commence
195 the program unless the office or department, as applicable,
196 objects to the program within 21 days after receiving the
197 notice.

198 f. An insurer, agent, or representative thereof may not
199 offer or provide insurance as an inducement to the purchase of
200 another policy or otherwise use the words "free," "no cost," or
201 similar words in an advertisement.

202 g. The commission may adopt rules to administer this
203 subparagraph to ensure consumer protection. Such rules,

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204 consistent with applicable law, may address, among other issues,
205 consumer data protections and privacy, consumer disclosure, and
206 unfair discrimination.

207 Section 3. This act shall take effect July 1, 2023.