

Committee Substitute for Senate Bill No. 1994

An act relating to insurance; amending s. 626.221, F.S.; exempting applicants for limited licenses for communication equipment property or communication equipment inland marine insurance from certain examination requirements; amending s. 626.321, F.S.; providing for the issuance of such limited licenses; amending s. 626.732, F.S.; exempting such limited licensees from certain education requirements; providing an effective date.

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

Section 1. Paragraph (b) of subsection (2) of section 626.221, Florida Statutes, is amended to read:

626.221 Examination requirement; exemptions.—

(2) However, no such examination shall be necessary in any of the following cases:

(b) An applicant for limited license as agent for personal accident insurance, baggage and motor vehicle excess liability insurance, credit life or disability insurance, credit insurance, credit property insurance, ~~or in-transit and storage personal property insurance, or~~ communications equipment property insurance or communication equipment inland marine insurance.

Section 2. Subsections (1) and (3) of section 626.321, Florida Statutes, are amended to read:

626.321 Limited licenses.—

(1) The department shall issue to a qualified individual, or a qualified individual or entity under paragraphs (c), (d), ~~and (e),~~ and (i), a license as agent authorized to transact a limited class of business in any of the following categories:

(a) Motor vehicle physical damage and mechanical breakdown insurance.—License covering insurance against only the loss of or damage to any motor vehicle which is designed for use upon a highway, including trailers and semitrailers designed for use with such vehicles. Such license also covers insurance against the failure of an original or replacement part to perform any function for which it was designed. The applicant for such a license shall pass a written examination covering motor vehicle physical damage insurance and mechanical breakdown insurance. No individual while so licensed shall hold a license as an agent or solicitor as to any other or additional kind or class of insurance coverage except as to a limited license for credit life and disability insurances as provided in paragraph (e).

(b) Industrial fire insurance or burglary insurance.—License covering only industrial fire insurance or burglary insurance. The applicant for such

a license shall pass a written examination covering such insurance. No individual while so licensed shall hold a license as an agent or solicitor as to any other or additional kind or class of insurance coverage except as to life and health insurances.

(c) Personal accident insurance.—License covering only policies of personal accident insurance covering the risks of travel, except as provided in subparagraph 2. The license may be issued only:

1. To a full-time salaried employee of a common carrier or a full-time salaried employee or owner of a transportation ticket agency and may authorize the sale of such ticket policies only in connection with the sale of transportation tickets, or to the full-time salaried employee of such an agent. No such policy shall be for a duration of more than 48 hours or for the duration of a specified one-way trip or round trip.

2. To a full-time salaried employee of a business which offers motor vehicles for rent or lease, or to a business office of a business which offers motor vehicles for rent or lease if insurance sales activities authorized by the license are limited to full-time salaried employees. A business office licensed or a person licensed pursuant to this subparagraph may, as an agent of an insurer, transact insurance that provides coverage for accidental personal injury or death of the lessee and any passenger who is riding or driving with the covered lessee in the rental motor vehicle if the lease or rental agreement is for not more than 30 days, or if the lessee is not provided coverage for more than 30 consecutive days per lease period; however, if the lease is extended beyond 30 days, the coverage may be extended one time only for a period not to exceed an additional 30 days.

(d) Baggage and motor vehicle excess liability insurance.—

1. License covering only insurance of personal effects except as provided in subparagraph 2. The license may be issued only:

a. To a full-time salaried employee of a common carrier or a full-time salaried employee or owner of a transportation ticket agency, which person is engaged in the sale or handling of transportation of baggage and personal effects of travelers, and may authorize the sale of such insurance only in connection with such transportation; or

b. To the full-time salaried employee of a licensed general lines agent, a full-time salaried employee of a business which offers motor vehicles for rent or lease, or to a business office of a business which offers motor vehicles for rent or lease if insurance sales activities authorized by the license are limited to full-time salaried employees.

The purchaser of baggage insurance shall be provided written information disclosing that the insured's homeowner's policy may provide coverage for loss of personal effects and that the purchase of such insurance is not required in connection with the purchase of tickets or in connection with the lease or rental of a motor vehicle.

2. A business office licensed pursuant to subparagraph 1., or a person licensed pursuant to subparagraph 1. who is a full-time salaried employee of a business which offers motor vehicles for rent or lease, may include lessees under a master contract providing coverage to the lessor or may transact excess motor vehicle liability insurance providing coverage in excess of the standard liability limits provided by the lessor in its lease to a person renting or leasing a motor vehicle from the licensee's employer for liability arising in connection with the negligent operation of the leased or rented motor vehicle, provided that the lease or rental agreement is for not more than 30 days; that the lessee is not provided coverage for more than 30 consecutive days per lease period, and, if the lease is extended beyond 30 days, the coverage may be extended one time only for a period not to exceed an additional 30 days; that the lessee is given written notice that his or her personal insurance policy providing coverage on an owned motor vehicle may provide additional excess coverage; and that the purchase of the insurance is not required in connection with the lease or rental of a motor vehicle. The excess liability insurance may be provided to the lessee as an additional insured on a policy issued to the licensee's employer.

3. A business office licensed pursuant to subparagraph 1., or a person licensed pursuant to subparagraph 1. who is a full-time salaried employee of a business which offers motor vehicles for rent or lease, may, as an agent of an insurer, transact insurance that provides coverage for the liability of the lessee to the lessor for damage to the leased or rented motor vehicle if:

a. The lease or rental agreement is for not more than 30 days; or the lessee is not provided coverage for more than 30 consecutive days per lease period, but, if the lease is extended beyond 30 days, the coverage may be extended one time only for a period not to exceed an additional 30 days;

b. The lessee is given written notice that his or her personal insurance policy that provides coverage on an owned motor vehicle may provide such coverage with or without a deductible; and

c. The purchase of the insurance is not required in connection with the lease or rental of a motor vehicle.

(e) Credit life or disability insurance.—License covering only credit life or disability insurance. The license may be issued only to an individual employed by a life or health insurer as an officer or other salaried or commissioned representative, to an individual employed by or associated with a lending or financial institution or creditor, or to a lending or financial institution or creditor, and may authorize the sale of such insurance only with respect to borrowers or debtors of such lending or financing institution or creditor. However, only the individual or entity whose tax identification number is used in receiving or is credited with receiving the commission from the sale of such insurance shall be the licensed agent of the insurer. No individual while so licensed shall hold a license as an agent or solicitor as to any other or additional kind or class of life or health insurance coverage. An entity holding a limited license under this paragraph is also authorized to sell credit insurance and credit property insurance. An entity applying for a license under this section:

1. Is required to submit only one application for a license under s. 626.171. The requirements of s. 626.171(5) shall only apply to the officers and directors of the entity submitting the application.

2. Is required to obtain a license for each office, branch office, or place of business making use of the entity's business name by applying to the department for the license on a simplified form developed by rule of the department for this purpose.

3. Is not required to pay any additional application fees for a license issued to the offices or places of business referenced in subsection (2), but is required to pay the license fee as prescribed in s. 624.501, be appointed under s. 626.112, and pay the prescribed appointment fee under s. 624.501. The license obtained under this paragraph shall be posted at the business location for which it was issued so as to be readily visible to prospective purchasers of such coverage.

(f) Credit insurance.—License covering only credit insurance, as such insurance is defined in s. 624.605(1)(i), and no individual or entity so licensed shall, during the same period, hold a license as an agent or solicitor as to any other or additional kind of life or health insurance with the exception of credit life or disability insurance as defined in paragraph (e). The same licensing provisions as outlined in paragraph (e) apply to entities licensed as credit insurance agents under this paragraph.

(g) Credit property insurance.—A license covering only credit property insurance may be issued to any individual except an individual employed by or associated with a lending or financial institution defined in s. 655.005(1)(g), (h), or (p) and authorized to sell such insurance only with respect to a borrower or debtor, not to exceed the amount of the loan.

(h) Crop hail and multiple-peril crop insurance.—License covering only crop hail and multiple-peril crop insurance. Notwithstanding any other provision of law, the limited license may be issued to a bona fide salaried employee of an association chartered under the Farm Credit Act of 1971, 12 U.S.C. ss. 2001 et seq., who satisfactorily completes the examination prescribed by the department pursuant to s. 626.241(5). The limited agent must be appointed by, and his or her limited license requested by, a licensed general lines agent. All business transacted by the limited agent shall be in behalf of, in the name of, and countersigned by the agent by whom he or she is appointed. Sections 626.561 and 626.748, relating to records, apply to all business written pursuant to this section. The limited licensee may be appointed by and licensed for only one general lines agent or agency.

(i) In-transit and storage personal property insurance; communications equipment property insurance or communications equipment inland marine insurance.—

1. A license covering only the insurance of personal property not held for resale, covering the risks of transportation or storage in rented or leased motor vehicles, trailers, or self-service storage facilities, as the latter are defined in s. 83.803, may be issued, without examination, only to employees or authorized representatives of lessors who rent or lease motor vehicles,

trailers, or self-service storage facilities and who are authorized by an insurer to issue certificates or other evidences of insurance to lessees of such motor vehicles, trailers, or self-service storage facilities under an insurance policy issued to the lessor. A person licensed under this paragraph shall give a prospective purchaser of in-transit or storage personal property insurance written notice that his or her homeowner's policy may provide coverage for the loss of personal property and that the purchase of such insurance is not required under the lease terms.

2. A license covering only communications equipment, for the loss, theft, mechanical failure, malfunction of or damage to, communications equipment. The license may be issued only to:

a. Employees or authorized representatives of a licensed general lines agent;

b. Each business location of a retail vendor of communications equipment; or

c. Employees, agents, or authorized representatives of a retail vendor of communications equipment.

The license authorizes the sale of such policies only with respect to the sale of, or provision of communications service for, communications equipment. A general lines agent is not required to obtain a license under this subparagraph to offer or sell communications equipment property insurance or communication equipment inland marine insurance. Licensees offering policies under this subparagraph must receive initial training from, and have a contractual relationship with, a general lines agent. For the purposes of this subparagraph, the term "communications equipment" means handsets, pagers, personal digital assistants, portable computers, automatic answering devices, and other devices or accessories used to originate or receive communications signals or service, and includes services related to the use of such devices, such as consumer access to a wireless network; however, the term does not include telecommunications switching equipment, transmission wires, cell site transceiver equipment, or other equipment and systems used by telecommunications companies to provide telecommunications service to consumers.

(2) The limitations of any license issued under this section shall be expressed therein. The licensee shall have a separate and additional appointment as to each insurer represented.

(3) Except as otherwise expressly provided, an individual applying for or holding a limited license shall be subject to the same applicable requirements and responsibilities as apply to general lines agents in general, if licensed as to motor vehicle physical damage and mechanical breakdown insurance, credit property insurance, industrial fire insurance or burglary insurance, in-transit and storage personal property insurance, communications equipment property insurance or communications equipment inland marine insurance, baggage and motor vehicle excess liability insurance, or credit insurance; or as apply to life agents or health agents in general, as

the case may be, if licensed as to personal accident insurance or credit life or credit disability insurance.

Section 3. Subsection (1) of section 626.732, Florida Statutes, is amended to read:

626.732 Requirement as to knowledge, experience, or instruction.—

(1) Except as provided in subsection (3), no applicant for a license as a general lines agent, except for a chartered property and casualty underwriter (CPCU), other than as to a limited license as to baggage and motor vehicle excess liability insurance, credit property insurance, credit insurance, ~~or in-transit and storage personal property insurance, or communica-~~ tions equipment property insurance or communication equipment inland marine insurance, shall be qualified or licensed unless within the 4 years immediately preceding the date the application for license is filed with the department the applicant has:

(a) Taught or successfully completed classroom courses in insurance satisfactory to the department at a school, college, or extension division thereof, approved by the department;

(b) Completed a correspondence course in insurance satisfactory to the department and regularly offered by accredited institutions of higher learning in this state and, except if he or she is applying for a limited license under s. 626.321, has had at least 6 months of responsible insurance duties as a substantially full-time bona fide employee in all lines of property and casualty insurance set forth in s. 626.041(1); or

(c) Completed at least 1 year in responsible insurance duties as a substantially full-time bona fide employee in all lines of property and casualty insurance, exclusive of aviation and wet marine and transportation insurances but not exclusive of boats of less than 36 feet in length or aircraft not held out for hire, as set forth in s. 626.041(1), without the education requirement mentioned in paragraph (a) or paragraph (b).

Section 4. This act shall take effect July 1, 2002.

Approved by the Governor April 23, 2002.

Filed in Office Secretary of State April 23, 2002.