

Committee Substitute for Senate Bill No. 2364

An act relating to insurance; amending s. 627.4035, F.S.; providing for the payment of insurance premiums by a debit or credit card, automatic electronic funds transfer, or payroll deduction plan; amending s. 627.7015, F.S.; defining “claim” for purposes of alternative procedures for resolution of disputed property insurance claims; amending s. 627.901, F.S.; revising the limits on premium financing service charges; amending s. 626.9541, F.S.; clarifying certain activities that constitute illegal dealings in premiums; prohibiting insurers from refusing to insure solely because the insured or applicant is a public official; amending s. 631.913, F.S.; limiting the obligation of the Florida Workers’ Compensation Insurance Guaranty Association, Incorporated for a covered claim for return of unearned premium; amending s. 631.914, F.S.; revising requirements for reporting premium for assessment calculations; amending s. 631.924, F.S.; including insolvent insurers under provisions for a stay of proceedings; amending s. 624.406, F.S.; providing for reinsurance under a workers’ compensation insurance policy; amending s. 624.603, F.S.; providing an exception to include workers’ compensation coverages under health insurance; amending s. 631.141, F.S.; providing for trust funds to be transferred to the receiver in delinquency proceedings to pay for unreimbursed expenses; amending ss. 624.04, 624.303, 624.313, 624.317, 624.504, 624.506, 624.521, 626.022, 626.112, 626.733, 626.7354, 626.741, 626.753, 626.829, 634.171, 634.420, 642.034, 642.036, and 642.045, F.S.; deleting references to solicitors to conform to prior deletions; amending ss. 624.34, 626.202, and 626.601, F.S.; revising certain fingerprinting requirements; amending s. 624.501, F.S.; providing for a fee for certain late appointment filings; amending s. 626.015, F.S.; deleting a definition of administrative agent; amending s. 626.171, F.S.; revising applicant address requirements; specifying required background investigation information; amending ss. 626.175, 626.7355, 626.731, 626.831, 626.8414, 626.865, 626.866, 626.867, 626.874, 626.9916, 648.34, and 648.355, F.S.; revising licensure eligibility criteria to specify United States citizenship or certain legal alien status; providing for the adoption of rules; amending s. 626.201, F.S.; revising certain fingerprint requirements; amending s. 626.221, F.S.; revising appointment application filing time period requirements; amending s. 626.2815, F.S.; requiring certain continuing education hour and subject requirements; deleting references to solicitors to conform to prior deletions; revising a continuing education board member title; amending s. 626.2816, F.S.; revising a cross-reference; clarifying a continuing education requirement; amending s. 626.2817, F.S.; deleting a prelicensure rule requirement; amending s. 626.311, F.S.; providing for the appointment of certain licensees; amending s. 626.321, F.S.; deleting references to solicitors to conform to prior deletions; providing for one application for a license and payment of applicable fees; amending s. 626.322, F.S.; clarifying

the effect of insurer authorization of effectuation of certain appointments; amending s. 626.341, F.S.; including a department-designated person to administer appointment processes for certain appointment-related actions; amending s. 626.371, F.S.; providing requirements for submittal and effective date of appointments; imposing a delinquent fee for certain notification failures; providing fee payment requirements; amending s. 626.381, F.S.; including a department-designated person to administer appointment processes for certain appointment-related actions; providing for a fee for certain late appointment filings; amending s. 626.451, F.S.; including a department-designated person to administer appointment processes for certain appointment-related actions; clarifying the effect of insurer authorization of effectuation of certain appointments; requiring licensee notification of the department of certain criminal proceedings; amending s. 626.461, F.S.; including a department-designated person to administer appointment processes for certain appointment-related actions; deleting references to solicitors to conform to prior deletions; amending s. 626.471, F.S.; including a department-designated person to administer appointment processes for certain appointment-related actions; providing for termination of certain appointments; requiring notice of termination; amending s. 626.843, F.S.; revising procedures for renewing title insurance agent appointments; amending s. 626.7315, F.S.; providing an exception to a prohibition against certain individuals receiving money on account of or for an insurer; amending ss. 626.732, 626.7851, 626.8311, and 626.8417, F.S.; revising certain education subject requirements; amending s. 626.7351, F.S.; revising licensure eligibility criteria to specify United States citizenship or certain legal alien status; revising certain education subject requirements; providing additional education course requirements; amending s. 626.785, F.S.; revising licensure eligibility criteria to specify United States citizenship or certain legal alien status; increasing the amount of coverage for burial-related expenses that may be sold by a life insurance agent under contract with a funeral establishment; amending s. 626.797, F.S.; revising an association title; amending s. 626.869, F.S.; deleting a provision relating to limited licenses for certain adjusters; revising certain education requirements; amending s. 626.878, F.S.; specifying implementation requirements for the department's ethics rules; amending s. 626.9541, F.S.; revising sliding as an unfair method of competition and unfair or deceptive act or practice; amending s. 632.634, F.S.; specifying registration of a society only upon department request; amending s. 627.679, F.S.; exempting certain credit life insurance from the separate written acknowledgement requirement; amending s. 627.7295, F.S.; revising the per-policy fees that general lines agents may charge on certain policies; amending s. 648.27, F.S.; imposing a delinquent fee for certain notification failures; providing fee payment requirements; deleting obsolete runner references; amending s. 648.382, F.S.; clarifying the effect of insurer authorization of effectuation of certain appointments; imposing a delinquent fee for certain notification failures; providing fee payment requirements; amending s. 648.383, F.S.;

including a department-designated person to administer appointment processes for certain appointment-related actions; providing for a fee for certain late appointment filings; amending s. 648.50, F.S.; deleting obsolete runner references; repealing s. 626.032, F.S., relating to continuing education and required designation of administrative agents; repealing s. 626.361, F.S., relating to the effective date of appointments; amending s. 324.032, F.S.; providing requirements with respect to vehicle liability insurance for persons operating for-hire passenger vehicles; amending s. 626.869, F.S.; requiring continuing education for public adjusters; providing requirements; requiring the Financial Services Commission to adopt rules; providing an effective date.

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

Section 1. Subsection (1) of section 627.4035, Florida Statutes, is amended to read:

627.4035 Cash payment of premiums; claims.—

(1) The premiums for insurance contracts issued in this state or covering risk located in this state shall be paid in cash consisting of coins, currency, checks, or money orders or by using a debit card, credit card, automatic electronic funds transfer, or payroll deduction plan.

Section 2. Subsection (9) is added to section 627.7015, Florida Statutes, to read:

627.7015 Alternative procedure for resolution of disputed property insurance claims.—

(9) For purposes of this section, the term “claim” refers to any dispute between an insurer and an insured relating to a material issue of fact other than a dispute:

(a) With respect to which the insurer has a reasonable basis to suspect fraud;

(b) Where, based on agreed-upon facts as to the cause of loss, there is no coverage under the policy;

(c) With respect to which the insurer has a reasonable basis to believe that the claimant has intentionally made a material misrepresentation of fact which is relevant to the claim, and the entire request for payment of a loss has been denied on the basis of the material misrepresentation; or

(d) With respect to which the amount in controversy is less than \$500, unless the parties agree to mediate a dispute involving a lesser amount.

Section 3. Subsection (1) of section 627.901, Florida Statutes, is amended to read:

627.901 Premium financing by an insurance agent or agency.—

(1) A general lines agent may make reasonable service charges for financing insurance premiums on policies issued or business produced by such an agent or agency, s. 626.9541 notwithstanding. The service charge shall not exceed ~~\$3~~ \$1 per installment, or a ~~\$6 total service charge per year~~, for any premium balance of \$120 or less. For any premium balance greater than \$120 but not more than \$220, the service charge shall not exceed \$9 per year. The maximum service charge for any premium balance greater than \$220 shall not exceed ~~\$36~~ \$12 per year. In lieu of such service charges, an insurance agent or agency, at the sole discretion of such agent or agency, may charge a rate of interest not to exceed 18 percent simple interest per year on:

(a) The unpaid balance; or

(b) The average unpaid balance as billed over the term of the policy and subject to endorsement changes. The interest authorized by this paragraph may be billed in equal installments.

Section 4. Paragraphs (o) and (x) of subsection (1) of section 626.9541, Florida Statutes, are amended to read:

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

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

(o) Illegal dealings in premiums; excess or reduced charges for insurance.—

1. Knowingly collecting any sum as a premium or charge for insurance, which is not then provided, or is not in due course to be provided, subject to acceptance of the risk by the insurer, by an insurance policy issued by an insurer as permitted by this code.

2. Knowingly collecting as a premium or charge for insurance any sum in excess of or less than the premium or charge applicable to such insurance, in accordance with the applicable classifications and rates as filed with and approved by the department, and as specified in the policy; or, in cases when classifications, premiums, or rates are not required by this code to be so filed and approved, premiums and charges collected from a Florida resident in excess of or less than those specified in the policy and as fixed by the insurer. This provision shall not be deemed to prohibit the charging and collection, by surplus lines agents licensed under part VIII of this chapter, of the amount of applicable state and federal taxes, or fees as authorized by s. 626.916(4), in addition to the premium required by the insurer or the charging and collection, by licensed agents, of the exact amount of any discount or other such fee charged by a credit card facility in connection with the use of a credit card, as authorized by subparagraph (q)3., in addition to the premium required by the insurer. This subparagraph shall not be construed to prohibit collection of a premium for a universal life or a variable or

indeterminate value insurance policy made in accordance with the terms of the contract.

3.a. Imposing or requesting an additional premium for a policy of motor vehicle liability, personal injury protection, medical payment, or collision insurance or any combination thereof or refusing to renew the policy solely because the insured was involved in a motor vehicle accident unless the insurer's file contains information from which the insurer in good faith determines that the insured was substantially at fault in the accident.

b. An insurer which imposes and collects such a surcharge or which refuses to renew such policy shall, in conjunction with the notice of premium due or notice of nonrenewal, notify the named insured that he or she is entitled to reimbursement of such amount or renewal of the policy under the conditions listed below and will subsequently reimburse him or her or renew the policy, if the named insured demonstrates that the operator involved in the accident was:

(I) Lawfully parked;

(II) Reimbursed by, or on behalf of, a person responsible for the accident or has a judgment against such person;

(III) Struck in the rear by another vehicle headed in the same direction and was not convicted of a moving traffic violation in connection with the accident;

(IV) Hit by a "hit-and-run" driver, if the accident was reported to the proper authorities within 24 hours after discovering the accident;

(V) Not convicted of a moving traffic violation in connection with the accident, but the operator of the other automobile involved in such accident was convicted of a moving traffic violation;

(VI) Finally adjudicated not to be liable by a court of competent jurisdiction;

(VII) In receipt of a traffic citation which was dismissed or nolle prossed; or

(VIII) Not at fault as evidenced by a written statement from the insured establishing facts demonstrating lack of fault which are not rebutted by information in the insurer's file from which the insurer in good faith determines that the insured was substantially at fault.

c. In addition to the other provisions of this subparagraph, an insurer may not fail to renew a policy if the insured has had only one accident in which he or she was at fault within the current 3-year period. However, an insurer may nonrenew a policy for reasons other than accidents in accordance with s. 627.728. This subparagraph does not prohibit nonrenewal of a policy under which the insured has had three or more accidents, regardless of fault, during the most recent 3-year period.

4. Imposing or requesting an additional premium for, or refusing to renew, a policy for motor vehicle insurance solely because the insured committed a noncriminal traffic infraction as described in s. 318.14 unless the infraction is:

a. A second infraction committed within an 18-month period, or a third or subsequent infraction committed within a 36-month period.

b. A violation of s. 316.183, when such violation is a result of exceeding the lawful speed limit by more than 15 miles per hour.

5. Upon the request of the insured, the insurer and licensed agent shall supply to the insured the complete proof of fault or other criteria which justifies the additional charge or cancellation.

6. No insurer shall impose or request an additional premium for motor vehicle insurance, cancel or refuse to issue a policy, or refuse to renew a policy because the insured or the applicant is a handicapped or physically disabled person, so long as such handicap or physical disability does not substantially impair such person's mechanically assisted driving ability.

7. No insurer may cancel or otherwise terminate any insurance contract or coverage, or require execution of a consent to rate endorsement, during the stated policy term for the purpose of offering to issue, or issuing, a similar or identical contract or coverage to the same insured with the same exposure at a higher premium rate or continuing an existing contract or coverage with the same exposure at an increased premium.

8. No insurer may issue a nonrenewal notice on any insurance contract or coverage, or require execution of a consent to rate endorsement, for the purpose of offering to issue, or issuing, a similar or identical contract or coverage to the same insured at a higher premium rate or continuing an existing contract or coverage at an increased premium without meeting any applicable notice requirements.

9. No insurer shall, with respect to premiums charged for motor vehicle insurance, unfairly discriminate solely on the basis of age, sex, marital status, or scholastic achievement.

10. Imposing or requesting an additional premium for motor vehicle comprehensive or uninsured motorist coverage solely because the insured was involved in a motor vehicle accident or was convicted of a moving traffic violation.

11. No insurer shall cancel or issue a nonrenewal notice on any insurance policy or contract without complying with any applicable cancellation or nonrenewal provision required under the Florida Insurance Code.

12. No insurer shall impose or request an additional premium, cancel a policy, or issue a nonrenewal notice on any insurance policy or contract because of any traffic infraction when adjudication has been withheld and no points have been assessed pursuant to s. 318.14(9) and (10). However, this subparagraph does not apply to traffic infractions involving accidents in which the insurer has incurred a loss due to the fault of the insured.

(x) Refusal to insure.—In addition to other provisions of this code, the refusal to insure, or continue to insure, any individual or risk solely because of:

1. Race, color, creed, marital status, sex, or national origin;
2. The residence, age, or lawful occupation of the individual or the location of the risk, unless there is a reasonable relationship between the residence, age, or lawful occupation of the individual or the location of the risk and the coverage issued or to be issued;
3. The insured's or applicant's failure to agree to place collateral business with any insurer, unless the coverage applied for would provide liability coverage which is excess over that provided in policies maintained on property or motor vehicles;
4. The insured's or applicant's failure to purchase noninsurance services or commodities, including automobile services as defined in s. 624.124; or
5. The fact that the insured or applicant is a public official; or
- ~~6.5.~~ The fact that the insured or applicant had been previously refused insurance coverage by any insurer, when such refusal to insure or continue to insure for this reason occurs with such frequency as to indicate a general business practice.

Section 5. Subsection (1) of section 631.913, Florida Statutes, is amended to read:

631.913 Powers and duties of the corporation.—

(1) The corporation is obligated to the extent of the full amount of the covered claims:

(a) Existing before the adjudication of insolvency and arising within 30 days after the determination of insolvency;

(b) Existing before the policy expiration date if less than 30 days after the determination of insolvency; or

(c) Existing before the insured replaces the policy or causes its cancellation, if the insured does so within 30 days after the determination of insolvency.

Notwithstanding such criteria, the corporation's obligation for a covered claim for the return of unearned premium shall not exceed \$50,000 per policy. In addition, the corporation is not obligated to a policyholder or claimant in an amount in excess of the obligation of the insolvent insurer under the policy from which the claim arises.

Section 6. Paragraph (a) of subsection (1) of section 631.914, Florida Statutes, is amended to read:

631.914 Assessments.—

(1)(a) To the extent necessary to secure the funds for the payment of covered claims, and also to pay the reasonable costs to administer the same, the department, upon certification by the board, shall levy assessments on each insurer in the proportion that the insurer's net direct written premiums in this state bears to the total of said net direct written premiums received in this state by all such workers' compensation insurers for the preceding calendar year. Assessments shall be remitted to and administered by the board of directors in the manner specified by the approved plan of operation. The board shall give each insurer so assessed at least 30 days' written notice of the date the assessment is due and payable. Each assessment shall be a uniform percentage applicable to the net direct written premiums of each insurer writing workers' compensation insurance.

1. Beginning July 1, 1997, assessments levied against insurers, other than self-insurance funds, shall not exceed in any calendar year more than 2 percent of that insurer's net direct written premiums in this state for workers' compensation insurance during the calendar year next preceding the date of such assessments.

2. Beginning July 1, 1997, assessments levied against self-insurance funds shall not exceed in any calendar year more than 1.50 percent of that self-insurance fund's net direct written premiums in this state for workers' compensation insurance during the calendar year next preceding the date of such assessments.

3. Beginning July 1, 2003, assessments levied against insurers and self-insurance funds pursuant to this paragraph are computed and levied on the basis of the full policy premium value on the net direct premiums written in the state for workers' compensation insurance during the calendar year next preceding the date of the assessment without taking into account any applicable discount or credit for deductibles. Insurers and self-insurance funds must report premiums in compliance with this subparagraph.

Section 7. Section 631.924, Florida Statutes, is amended to read:

631.924 Stay of proceedings; reopening of default judgments.—All proceedings in which the insolvent insurer or self-insurance fund is a party or is obligated to defend a party in any court or before any quasi-judicial body or administrative board in this state must be stayed for 6 months, or such additional period from the date the insolvency is adjudicated, by a court of competent jurisdiction to allow proper defense by the association of all pending causes of action as to any covered claims. The stay may be extended for a period of time greater than 6 months upon proper application to a court of competent jurisdiction. The association, either on its own behalf or on behalf of the insured, may apply to have any judgment, order, decision, verdict, or finding based on the default of the insolvent insurer or self-insurance fund or its failure to defend an insured set aside by the same court or administrator that made the judgment, order, decision, verdict, or finding and may defend against the claim on the merits. If the association so requests, the stay of proceedings may be shortened or waived.

Section 8. Subsection (4) of section 624.406, Florida Statutes, is amended to read:

624.406 Combinations of insuring powers, one insurer.—An insurer which otherwise qualifies therefor may be authorized to transact any one kind or combination of kinds of insurance as defined in part V except:

(4) A health insurer may also transact excess insurance, specific and aggregate, for self-insurers of a plan of health insurance and multiple-employer welfare arrangements and reinsurance for the medical and lost wages benefits provided under a workers' compensation insurance policy.

Section 9. Section 624.603, Florida Statutes, is amended to read:

624.603 "Health insurance" defined.—"Health insurance," also known as "disability insurance," is insurance of human beings against bodily injury, disablement, or death by accident or accidental means, or the expense thereof, or against disablement or expense resulting from sickness, and every insurance appertaining thereto. Health insurance does not include workers' compensation coverages, except as provided in s. 624.406(4).

Section 10. Subsection (7) of section 631.141, Florida Statutes, is amended to read:

631.141 Conduct of delinquency proceeding; domestic and alien insurers.—

(7)(a) In connection with a delinquency proceeding, the department may appoint one or more special agents to act for it, and it may employ such counsel, clerks, and assistants as it deems necessary. The compensation of the special agents, counsel, clerks, or assistants and all expenses of taking possession of the insurer and of conducting the proceeding shall be fixed by the receiver, subject to the approval of the court, and shall be paid out of the funds or assets of the insurer. Within the limits of duties imposed upon them, special agents shall possess all the powers given to and, in the exercise of those powers, shall be subject to all duties imposed upon the receiver with respect to such proceeding.

(b) In the event that initiation of delinquency proceedings does not result in appointment of the department as receiver, or in the event that the funds or assets of an insurer for which the department is appointed as receiver are insufficient to cover the cost of compensation to special agents, counsel, clerks, or assistants and all expenses of taking, or attempting to take, possession of the insurer, and of conducting the proceeding, there is appropriated, upon approval of the Chief Financial Officer, and the Legislative Budget Commission from the Insurance Regulation Trust Fund to the Division of Rehabilitation and Liquidation a sum that is sufficient to cover the unreimbursed costs.

Section 11. Section 624.04, Florida Statutes, is amended to read:

624.04 "Person" defined.—"Person" includes an individual, insurer, company, association, organization, Lloyds, society, reciprocal insurer or interinsurance exchange, partnership, syndicate, business trust, corporation,

agent, general agent, broker, ~~solicitor~~, service representative, adjuster, and every legal entity.

Section 12. Subsection (2) of section 624.303, Florida Statutes, is amended to read:

624.303 Seal; certified copies as evidence.—

(2) All certificates executed by the department, other than licenses of agents, ~~solicitors~~, or adjusters or similar licenses or permits, shall bear its seal.

Section 13. Paragraph (a) of subsection (2) of section 624.313, Florida Statutes, is amended to read:

624.313 Publications.—

(2) The department may prepare and have printed and published in pamphlet or book form the following:

(a) As needed, questions and answers for the use of persons applying for an examination for licensing as agents ~~or solicitors~~ for property, casualty, surety, health, and miscellaneous insurers.

Section 14. Subsection (2) of section 624.317, Florida Statutes, is amended to read:

624.317 Investigation of agents, adjusters, administrators, service companies, and others.—If it has reason to believe that any person has violated or is violating any provision of this code, or upon the written complaint signed by any interested person indicating that any such violation may exist, the department shall conduct such investigation as it deems necessary of the accounts, records, documents, and transactions pertaining to or affecting the insurance affairs of any:

(2) Insurance agent or, customer representative, ~~or solicitor~~, subject to the requirements of s. 626.601.

Section 15. Section 624.34, Florida Statutes, is amended to read:

624.34 Authority of Department of Law Enforcement to accept fingerprints of, and exchange criminal history records with respect to, certain persons.—

(1) The Department of Law Enforcement may accept fingerprints of organizers, incorporators, subscribers, officers, stockholders, directors, or any other persons involved, directly or indirectly, in the organization, operation, or management of:

(a) Any insurer or proposed insurer transacting or proposing to transact insurance in this state.

(b) Any other entity which is examined or investigated or which is eligible to be examined or investigated under the provisions of the Florida Insurance Code.

(2) The Department of Law Enforcement may accept fingerprints of individuals who apply for a license as an agent, customer representative, adjuster, service representative, or managing general agent or the fingerprints of the majority owner, sole proprietor, partners, officers, and directors of a corporation or other legal entity that applies for licensure with the department under the provisions of the Florida Insurance Code.

(3) The Department of Law Enforcement may, to the extent provided for by federal law, exchange state, multistate, and federal criminal history records with the department and the office for the purpose of the issuance, denial, suspension, or revocation of a certificate of authority, certification, or license to operate in this state.

(4) The Department of Law Enforcement may accept fingerprints of any other person required by statute or rule to submit fingerprints to the department or office or any applicant or licensee regulated by the department or office who is required to demonstrate that he or she has not been convicted of or pled guilty or nolo contendere to a felony or a misdemeanor.

(5) The Department of Law Enforcement shall, upon receipt of fingerprints from the department or office, submit the fingerprints to the Federal Bureau of Investigation to check federal criminal history records.

(6) Statewide criminal records obtained through the Department of Law Enforcement, federal criminal records obtained through the Federal Bureau of Investigation, and local criminal records obtained through local law enforcement agencies shall be used by the department and office for the purpose of issuance, denial, suspension, or revocation of certificates of authority, certifications, or licenses issued to operate in this state.

Section 16. Paragraph (b) of subsection (6) of section 624.501, Florida Statutes, is amended, and subsection (28) is added to that section, to read:

624.501 Filing, license, appointment, and miscellaneous fees.—The department shall collect in advance, and persons so served shall pay to it in advance, fees, licenses, and miscellaneous charges as follows:

(6) Insurance representatives, property, marine, casualty, and surety insurance.

(b) ~~Solicitor's~~ or Customer representative's original appointment and biennial renewal or continuation thereof:

Appointment fee	\$42.00
State tax	12.00
County tax	6.00
Total	\$60.00

(28) Late filing of appointment renewals for agents, adjusters, and other insurance representatives, each appointment \$20.00

Section 17. Section 624.504, Florida Statutes, is amended to read:

624.504 Liability for state, county tax.—

(1) Each authorized insurer that uses insurance agents in this state shall be liable for and shall pay the state and county taxes required therefor under s. 624.501 or s. 624.505.

~~(2) Each insurance agent in this state that uses solicitors shall be liable for and shall pay the state and county taxes required therefor under s. 624.501.~~

Section 18. Subsection (1) of section 624.506, Florida Statutes, is amended to read:

624.506 County tax; deposit and remittance.—

(1) The Insurance Commissioner and Treasurer shall deposit in the Agents and Solicitors County Tax Trust Fund all moneys accepted as county tax under this part. She or he shall keep a separate account for all moneys so collected for each county and, after deducting therefrom the service charges provided for in s. 215.20, shall remit the balance to the counties.

Section 19. Subsection (1) of section 624.521, Florida Statutes, is amended to read:

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

(1) The Department of Insurance shall promptly deposit in the State Treasury to the credit of the Insurance Commissioner's Regulatory Trust Fund all "state tax" portions of agents' and solicitors' licenses collected under s. 624.501 necessary to fund the Division of Insurance Fraud. The balance of the tax shall be credited to the General Fund. All moneys received by the Department of Insurance not in accordance with the provisions of this code or not in the exact amount as specified by the applicable provisions of this code shall be returned to the remitter. The records of the department shall show the date and reason for such return.

Section 20. Section 626.015, Florida Statutes, is amended to read:

626.015 Definitions.—As used in this part:

(1) "Adjuster" means a public adjuster as defined in s. 626.854, independent adjuster as defined in s. 626.855, or company employee adjuster as defined in s. 626.856.

~~(2) "Administrative agent" means a life agent or health agent who:~~

~~(a) Is employed by a full-time licensed life agent or health agent who shall supervise and be accountable for the actions of the administrative agent.~~

~~(b) Performs primarily administrative functions.~~

~~(c) Receives no insurance commissions.~~

~~(d) Does not solicit or transact business outside of the confines of an insurance agency office.~~

~~(2)(3)~~ “Agent” means a general lines agent, life agent, health agent, or title agent, or all such agents, as indicated by context. The term “agent” includes an insurance producer or producer, but does not include a customer representative, limited customer representative, or service representative.

~~(3)(4)~~ “Appointment” means the authority given by an insurer or employer to a licensee to transact insurance or adjust claims on behalf of an insurer or employer.

~~(4)(5)~~ “Customer representative” means an individual appointed by a general lines agent or agency to assist that agent or agency in transacting the business of insurance from the office of that agent or agency.

~~(5)(6)~~ “Department” means the Department of Insurance.

~~(6)(7)~~ “General lines agent” means an agent transacting any one or more of the following kinds of insurance:

(a) Property insurance.

(b) Casualty insurance, including commercial liability insurance underwritten by a risk retention group, a commercial self-insurance fund as defined in s. 624.462, or a workers’ compensation self-insurance fund established pursuant to s. 624.4621.

(c) Surety insurance.

(d) Health insurance, when transacted by an insurer also represented by the same agent as to property or casualty or surety insurance.

(e) Marine insurance.

~~(7)(8)~~ “Health agent” means an agent representing a health maintenance organization or, as to health insurance only, an insurer transacting health insurance.

~~(8)(9)~~ “Home state” means the District of Columbia and any state or territory of the United States in which an insurance agent maintains his or her principal place of residence and is licensed to act as an insurance agent.

~~(9)(10)~~ “Insurance agency” means a business location at which an individual, firm, partnership, corporation, association, or other entity, other than an employee of the individual, firm, partnership, corporation, association, or other entity and other than an insurer as defined by s. 624.03 or an adjuster as defined by subsection (1), engages in any activity or employs individuals to engage in any activity which by law may be performed only by a licensed insurance agent.

~~(10)(11)~~ “License” means a document issued by the department authorizing a person to be appointed to transact insurance or adjust claims for the kind, line, or class of insurance identified in the document.

~~(11)~~(12) “Life agent” means an individual representing an insurer as to life insurance and annuity contracts, including agents appointed to transact life insurance, fixed-dollar annuity contracts, or variable contracts by the same insurer.

~~(12)~~(13) “Limited customer representative” means a customer representative appointed by a general lines agent or agency to assist that agent or agency in transacting only the business of private passenger motor vehicle insurance from the office of that agent or agency. A limited customer representative is subject to the Florida Insurance Code in the same manner as a customer representative, unless otherwise specified.

~~(13)~~(14) “Limited lines insurance” means those categories of business specified in ss. 626.321 and 635.011.

~~(14)~~(15) “Line of authority” means a kind, line, or class of insurance an agent is authorized to transact.

~~(15)~~(16)(a) “Managing general agent” means any person managing all or part of the insurance business of an insurer, including the management of a separate division, department, or underwriting office, and acting as an agent for that insurer, whether known as a managing general agent, manager, or other similar term, who, with or without authority, separately or together with affiliates, produces directly or indirectly, or underwrites an amount of gross direct written premium equal to or more than 5 percent of the policyholder surplus as reported in the last annual statement of the insurer in any single quarter or year and also does one or more of the following:

1. Adjusts or pays claims.
2. Negotiates reinsurance on behalf of the insurer.

(b) The following persons shall not be considered managing general agents:

1. An employee of the insurer.
2. A United States manager of the United States branch of an alien insurer.
3. An underwriting manager managing all the insurance operations of the insurer pursuant to a contract, who is under the common control of the insurer subject to regulation under ss. 628.801-628.803, and whose compensation is not based on the volume of premiums written.
4. Administrators as defined by s. 626.88.
5. The attorney in fact authorized by and acting for the subscribers of a reciprocal insurer under powers of attorney.

~~(16)~~(17) “Resident” means an individual domiciled and residing in this state.

(17)(18) “Service representative” means an individual employed by an insurer or managing general agent for the purpose of assisting a general lines agent in negotiating and effecting insurance contracts when accompanied by a licensed general lines agent. A service representative shall not be simultaneously licensed as a general lines agent in this state. This subsection does not apply to life insurance.

(18)(19) “Uniform application” means the uniform application of the National Association of Insurance Commissioners for nonresident agent licensing, effective January 15, 2001, or subsequent versions adopted by rule by the department.

Section 21. Subsection (1) of section 626.022, Florida Statutes, is amended to read:

626.022 Scope of part.—

(1) This part applies as to insurance agents, ~~solicitors~~, service representatives, adjusters, and insurance agencies; as to any and all kinds of insurance; and as to stock insurers, mutual insurers, reciprocal insurers, and all other types of insurers, except that:

(a) It does not apply as to reinsurance, except that ss. 626.011-626.031, ss. 626.102-626.181, ss. 626.191-626.211, ss. 626.291-626.301, s. 626.331, ss. 626.342-626.521, ss. 626.541-626.591, and ss. 626.601-626.711 shall apply as to reinsurance intermediaries as defined in s. 626.7492.

(b) The applicability of this chapter as to fraternal benefit societies shall be as provided in chapter 632.

(c) It does not apply to a bail bond agent, as defined in s. 648.25, except as provided in chapter 648 or chapter 903.

(d) This part does not apply to a certified public accountant licensed under chapter 473 who is acting within the scope of the practice of public accounting, as defined in s. 473.302, provided that the activities of the certified public accountant are limited to advising a client of the necessity of obtaining insurance, the amount of insurance needed, or the line of coverage needed, and provided that the certified public accountant does not directly or indirectly receive or share in any commission or, referral fee, ~~or solicitor’s fee~~.

Section 22. Paragraph (a) of subsection (7) of section 626.112, Florida Statutes, is amended to read:

626.112 License and appointment required; agents, customer representatives, adjusters, insurance agencies, service representatives, managing general agents.—

(7)(a) No individual, firm, partnership, corporation, association, or any other entity shall act in its own name or under a trade name, directly or indirectly, as an insurance agency, when required to be licensed by this subsection, unless it complies with s. 626.172 with respect to possessing an

insurance agency license for each place of business at which it engages in any activity which may be performed only by a licensed insurance agent ~~or solicitor~~.

Section 23. Paragraph (a) of subsection (2) and subsection (5) of section 626.171, Florida Statutes, are amended to read:

626.171 Application for license.—

(2) In the application, the applicant shall set forth:

(a) His or her full name, age, social security number, residence address, ~~and place of business address, and mailing address~~.

(5) An application for a license as an agent, customer representative, adjuster, insurance agency, service representative, managing general agent, or reinsurance intermediary must be accompanied by a set of the individual applicant's fingerprints, or, if the applicant is not an individual, by a set of the fingerprints of the sole proprietor, majority owner, partners, officers, and directors, on a form adopted by rule of the department and accompanied by the fingerprint processing fee set forth in s. 624.501. Fingerprints shall be used to investigate the applicant's qualifications pursuant to s. 626.201. The fingerprints shall be taken certified by a law enforcement agency or other department-approved entity officer.

Section 24. Subsection (1) of section 626.175, Florida Statutes, is amended to read:

626.175 Temporary licensing.—

(1) The department may issue a nonrenewable temporary license for a period not to exceed 6 months authorizing appointment of a general lines insurance agent or a life agent, or an industrial fire or burglary agent, subject to the conditions described in this section. The fees paid for a temporary license and appointment shall be as specified in s. 624.501. Fees paid shall not be refunded after a temporary license has been issued.

(a) An applicant for a temporary license must be:

1. A natural person at least 18 years of age.

2. A United States citizen or legal alien who possesses work authorization from the United States Immigration and Naturalization Service.

(b)(a)1. In the case of a general lines agent, the department may issue a temporary license to an employee, a family member, a business associate, or a personal representative of a licensed general lines agent for the purpose of continuing or winding up the business affairs of the agent or agency in the event the licensed agent has died or become unable to perform his or her duties because of military service or illness or other physical or mental disability, subject to the following conditions:

a. No other individual connected with the agent's business may be licensed as a general lines agent.

b. The proposed temporary licensee shall be qualified for a regular general lines agent license under this code except as to residence, examination, education, or experience.

c. Application for the temporary license shall have been made by the applicant upon statements and affidavit filed with the department on forms prescribed and furnished by the department.

d. Under a temporary license and appointment, the licensee shall not represent any insurer not last represented by the agent being replaced and shall not be licensed or appointed as to any additional kind, line, or class of insurance other than those covered by the last existing agency appointments of the replaced agent. If an insurer withdraws from the agency during the temporary license period, the temporary licensee may be appointed by another similar insurer but only for the period remaining under the temporary license.

2. A regular general lines agent license may be issued to a temporary licensee upon meeting the qualifications for a general lines agent license under s. 626.731.

~~(c)~~(b) In the case of a life agent, the department may issue a temporary license:

1. To the executor or administrator of the estate of a deceased individual licensed and appointed as a life agent at the time of death;

2. To a surviving next of kin of the deceased individual, if no administrator or executor has been appointed and qualified; however, any license and appointment under this subparagraph shall be canceled upon issuance of a license to an executor or administrator under subparagraph 1.; or

3. To an individual otherwise qualified to be licensed as an agent who has completed the educational or training requirements prescribed in s. 626.7851 and has successfully sat for the required examination prior to termination of such 6-month period. The department may issue this temporary license only in the case of a life agent to represent an insurer of the industrial or ordinary-combination class.

~~(d)~~(e) In the case of a limited license authorizing appointment as an industrial fire or burglary agent, the department may issue a temporary license to an individual otherwise qualified to be licensed as an agent who has completed the educational or training requirements prescribed in s. 626.732 and has successfully sat for the required examination prior to termination of the 6-month period.

Section 25. Section 626.202, Florida Statutes, is amended to read:

626.202 Fingerprinting requirements.—If there is a change in ownership or control of any entity licensed under this chapter, or if a new partner, officer, or director is employed or appointed, a set of fingerprints of the new owner, partner, officer, or director must be filed with the department within 30 days after the change. The acquisition of 10 percent or more of the voting

securities of a licensed entity is considered a change of ownership or control. The fingerprints must be ~~taken~~ certified by a law enforcement agency or other department-approved entity ~~officer~~ and be accompanied by the fingerprint processing fee in s. 624.501.

Section 26. Section 626.201, Florida Statutes, is amended to read:

626.201 Investigation.—

(1) The department may propound any reasonable interrogatories in addition to those contained in the application, to any applicant for license or appointment, or on any renewal, reinstatement, or continuation thereof, relating to his or her qualifications, residence, prospective place of business, and any other matter which, in the opinion of the department, is deemed necessary or advisable for the protection of the public and to ascertain the applicant's qualifications.

(2) The department may, upon completion of the application, make such further investigation as it may deem advisable of the applicant's character, experience, background, and fitness for the license or appointment. Such an inquiry or investigation shall be in addition to any examination required to be taken by the applicant as hereinafter in this chapter provided.

(3) An inquiry or investigation of the applicant's qualifications, character, experience, background, and fitness must include submission of the applicant's fingerprints to the Department of Law Enforcement and the Federal Bureau of Investigation and consideration of any state criminal records, federal criminal records, or local criminal records obtained from these agencies or from local law enforcement agencies.

Section 27. Paragraphs (e), (f), (g), and (k) of subsection (2) of section 626.221, Florida Statutes, are amended to read:

626.221 Examination requirement; exemptions.—

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

(e) An individual who qualified as a managing general agent, service representative, customer representative, or all-lines adjuster by passing a general lines agent's examination and subsequently was licensed and appointed and has been actively engaged in all lines of property and casualty insurance may, upon filing an application for appointment, be licensed and appointed as a general lines agent for the same kinds of business without taking another examination if he or she holds any such currently effective license referred to in this paragraph or held the license within 48 ~~24~~ months prior to the date of filing the application with the department.

(f) A person who has been licensed and appointed by the department as a public adjuster or independent adjuster, or licensed and appointed either as an agent or company adjuster as to all property, casualty, and surety insurances, may be licensed and appointed as a company adjuster as to any of such insurances, or as an independent adjuster or public adjuster, without

additional written examination if an application for appointment is filed with the department within 48 24 months following the date of cancellation or expiration of the prior appointment.

(g) A person who has been licensed by the department as an adjuster for motor vehicle, property and casualty, workers' compensation, and health insurance may be licensed as such an adjuster without additional written examination if his or her application for appointment is filed with the department within 48 24 months after cancellation or expiration of the prior license.

(k) An applicant for license as a customer representative who has the designation of Accredited Advisor in Insurance (AAI) from the Insurance Institute of America, the designation of Certified Insurance Counselor (CIC) from the Society of Certified Insurance Service Counselors, the designation of Accredited Customer Service Representative (ACSR) from the Independent Insurance Agents of America, the designation of Certified Professional Service Representative (CPSR) from the National Foundation for Certified Professional Service Representatives Association of Professional Insurance Agents, the designation of Certified Insurance Service Representative (CISR) from the Society of Certified Insurance Service Representatives. Also, an applicant for license as a customer representative who has the designation of Certified Customer Service Representative (CCSR) from the Florida Association of Insurance Agents, or the designation of Registered Customer Service Representative (RCSR) from a regionally accredited post-secondary institution in this state, or the designation of Professional Customer Service Representative (PCSR) from the Professional Career Institute, whose curriculum has been approved by the department and whose curriculum includes comprehensive analysis of basic property and casualty lines of insurance and testing at least equal to that of standard department testing for the customer representative license. The department shall adopt rules establishing standards for the approval of curriculum.

Section 28. Paragraphs (a), (c), and (d) of subsection (3), paragraphs (a), (b), (c), (d), (g), (h), and (i) of subsection (4), and paragraph (b) of subsection (6) of section 626.2815, Florida Statutes, are amended to read:

626.2815 Continuing education required; application; exceptions; requirements; penalties.—

(3)(a) Each person subject to the provisions of this section must, except as set forth in paragraphs (b) and (c), complete a minimum of 24 28 hours of continuing education courses every 2 years in basic or higher-level courses prescribed by this section or in other courses approved by the department. Each person subject to the provisions of this section must complete, as part of ~~his or her~~ their required number of continuing education hours, 3 hours of continuing education, approved by the department, every 2 years on the subject matter of ethics and a minimum of 2 hours of continuing education, approved by the department, every 2 years on the subject matter of unauthorized entities engaging in the business of insurance. The scope of the topic of unauthorized entities shall include the Florida Nonprofit Multiple Employer Welfare Arrangement Act and the Employee Retirement Income Se-

curity Act, 29 U.S.C. ss. 1001 et seq., as it relates to the provision of health insurance by employers to their employees and the regulation thereof.

(c) A licensee who has been licensed for 25 years or more and is a CLU or a CPCU or has a Bachelor of Science degree in risk management or insurance with evidence of 18 or more semester hours in upper-level insurance-related courses must complete 12 ~~14~~ hours of continuing education courses every 2 years in courses prescribed by this section or in other courses approved by the department, except, for compliance periods beginning January 1, 1998, the licensees described in this paragraph shall be required to complete 10 hours of continuing education courses every 2 years.

(d) Any person who holds a license as a customer representative, limited customer representative, ~~administrative agent~~, title agent, motor vehicle physical damage and mechanical breakdown insurance agent, crop or hail and multiple-peril crop insurance agent, or as an industrial fire insurance or burglary insurance agent and who is not a licensed life or health insurance agent, shall be required to complete 12 ~~14~~ hours of continuing education courses every 2 years, except, for compliance periods beginning on January 1, 1998, each licensee subject to this paragraph shall be required to complete 10 hours of continuing education courses every 2 years.

(4) The following courses may be completed in order to meet the continuing education course requirements:

(a) Any part of the Life Underwriter Training Council Life Course Curriculum: 24 ~~28~~ hours; Health Course: 12 ~~14~~ hours.

(b) Any part of the American College "CLU" diploma curriculum: 24 ~~28~~ hours.

(c) Any part of the Insurance Institute of America's program in general insurance: 12 ~~14~~ hours.

(d) Any part of the American Institute for Property and Liability Underwriters' Chartered Property Casualty Underwriter (CPCU) professional designation program: 24 ~~28~~ hours.

(g) In the case of title agents, completion of the Certified Land Closer (CLC) professional designation program and receipt of the designation: 24 ~~28~~ hours.

(h) In the case of title agents, completion of the Certified Land Searcher (CLS) professional designation program and receipt of the designation: 24 ~~28~~ hours.

(i) Any insurance-related course which is approved by the department and taught by an accredited college or university per credit hour granted: 12 ~~14~~ hours.

(6)

(b) The board members shall be appointed as follows:

1. Seven members representing agents of which at least one must be a representative from each of the following organizations: the Florida Association of Insurance Agents; the Florida Association of Insurance and Financial Advisors Life Underwriters; the Professional Insurance Agents of Florida, Inc.; the Florida Association of Health Underwriters; the Specialty Agents' Association; the Latin American Agents' Association; and the National Association of Insurance Women. Such board members must possess at least a bachelor's degree or higher from an accredited college or university with major coursework in insurance, risk management, or education or possess the designation of CLU, CPCU, CHFC, CFP, AAI, or CIC. In addition, each member must possess 5 years of classroom instruction experience or 5 years of experience in the development or design of educational programs or 10 years of experience as a licensed resident agent. Each organization may submit to the department a list of recommendations for appointment. If one organization does not submit a list of recommendations, the Insurance Commissioner may select more than one recommended person from a list submitted by other eligible organizations.

2. Two members representing insurance companies at least one of whom must represent a Florida Domestic Company and one of whom must represent the Florida Insurance Council. Such board members must be employed within the training department of the insurance company. At least one such member must be a member of the Society of Insurance Trainers and Educators.

3. One member representing the general public who is not directly employed in the insurance industry. Such board member must possess a minimum of a bachelor's degree or higher from an accredited college or university with major coursework in insurance, risk management, training, or education.

4. One member, appointed by the Insurance Commissioner, who represents the department.

Section 29. Section 626.2816, Florida Statutes, is amended to read:

626.2816 Regulation of continuing education for licensees, course providers, instructors, school officials, and monitor groups.—

(1) Continuing education course providers, instructors, school officials, and monitor groups must be approved by the department before offering continuing education courses pursuant to s. 626.2815 or s. 626.869.

(2) The department shall adopt rules establishing standards for the approval, regulation, and operation of the continuing education programs and for the discipline of licensees, course providers, instructors, school officials, and monitor groups. The standards must be designed to ensure that such course providers, instructors, school officials, and monitor groups have the knowledge, competence, and integrity to fulfill the educational objectives of ss. 626.2815, 626.869(5), 648.385, and 648.386.

(3) The department shall adopt rules establishing a process by which compliance with the continuing education requirements of ss. 626.2815,

626.869(5), 648.385, and 648.386 can be determined, the establishment of a continuing education compliance period requirement cycle for licensees, and forms necessary to implement such a process.

Section 30. Subsection (3) of section 626.2817, Florida Statutes, is amended to read:

626.2817 Regulation of course providers, instructors, school officials, and monitor groups involved in prelicensure education for insurance agents and other licensees.—

(3) The department shall adopt rules to establish a process for determining compliance with the prelicensure requirements of this chapter and chapter 648 ~~and shall establish a prelicensure cycle for insurance agents and other licensees~~. The department shall adopt rules prescribing the forms necessary to administer the prelicensure requirements.

Section 31. Subsections (5) and (6) are added to section 626.311, Florida Statutes, to read:

626.311 Scope of license.—

(5) At any time while a license is in force, an insurer may apply to the department on behalf of the licensee for an appointment. Upon receipt of the appointment application and appointment taxes and fees, the department may issue the additional appointment without further investigation concerning the applicant.

(6) The department may contract with other persons to administer the appointment process.

Section 32. Paragraphs (a) and (e) of subsection (1) and subsections (2) 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), (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).

(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.~~

(2) An entity applying for a license under this section is required to:

(a) 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.

(b) 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 application form developed by rule of the department for this purpose.

(c) Pay the applicable fees for a license as prescribed in s. 624.501, be appointed under s. 626.112, and pay the prescribed appointment fee under s. 624.501. A licensed and appointed entity shall be directly responsible and accountable for all acts of the licensee's employees.

(3)(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.

(4)(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 33. Section 626.322, Florida Statutes, is amended to read:

626.322 License, appointment; certain military installations.—A natural person, not a resident of this state, may be licensed and appointed to represent an authorized life insurer domiciled in this state or an authorized foreign life insurer which maintains a regional home office in this state, provided such person represents such insurer exclusively at a United States military installation located in a foreign country. The department may, upon request of the applicant and the insurer on application forms furnished by the department and upon payment of fees as prescribed in s. 624.501, issue a license and appointment to such person. By authorizing the effectuation of an appointment for a license, the insurer is thereby certifying shall certify to the department that the applicant has the necessary training to hold himself or herself out as a life insurance representative, and the insurer shall further certify that it is willing to be bound by the acts of such applicant within the scope of his or her employment. Appointments shall be continued as prescribed in s. 626.381 and upon payment of a fee as prescribed in s. 624.501, unless sooner terminated. Such fees received shall be credited to the Insurance Commissioner's Regulatory Trust Fund as provided for in s. 624.523.

Section 34. Section 626.341, Florida Statutes, is amended to read:

626.341 Additional appointments; general lines, life, and health agents.—

(1) At any time while a licensee's license is in force, an insurer may apply to the department or person designated by the department to administer the appointment process on behalf of a licensee for an additional appointment as general lines agent or life or health agent for an additional insurer or insurers. The application for appointment shall set forth all information the department may require. Upon receipt of the appointment and payment of the applicable appointment taxes and fees, the department may issue the additional appointment without, in its discretion, further investigation concerning the applicant.

(2) A life or health agent with an appointment in force may solicit applications for policies of insurance on behalf of an insurer with respect to which he or she is not an appointed life or health agent, unless otherwise provided by contract, if such agent simultaneously with the submission to such insurer of the application for insurance solicited by him or her requests the

insurer to appoint him or her as agent. However, no commissions shall be paid by such insurer to the agent until such time as an additional appointment with respect to such insurer has been received by the department or person designated by the department to administer the appointment process pursuant to the provisions of subsection (1).

Section 35. Section 626.371, Florida Statutes, is amended to read:

626.371 Payment of fees, taxes for appointment period without appointment.—

(1) All initial appointments shall be submitted to the department on a monthly basis no later than 45 days after the date of appointment and become effective on the date requested on the appointment form.

(2) If, upon application and qualification for an initial or renewal appointment and such investigation as the department may make, it appears to the department that an individual who was formerly licensed or is currently licensed but not properly appointed to represent an insurer or employer and who has been actively engaged or is currently actively engaged as such an appointee, but without being appointed as required, the department may, if it finds that such failure to be appointed was an inadvertent error on the part of the insurer or employer so represented, nevertheless issue or authorize the issuance of the appointment as applied for but subject to the condition that, before the appointment is issued, all fees and taxes which would have been due had the applicant been so appointed during such current and prior periods, together with applicable fees pursuant to s. 624.501 a continuation fee for such current and prior periods terms of appointment, shall be paid to the department.

(3)(a) Failure to notify the department within the required time period shall result in the appointing entity being assessed a delinquent fee of \$250 per appointee. Delinquent fees shall be paid by the appointing entity and may not be charged to the appointee.

(b) Failure to timely renew an appointment by an appointing entity prior to the expiration date of the appointment shall result in the appointing entity being assessed late filing, continuation, and reinstatement fees as prescribed in s. 624.501. Such fees must be paid by the appointing entity and cannot be charged back to the appointee.

Section 36. Subsections (3) and (4) of section 626.381, Florida Statutes, are amended and a new subsection (7) is added to that section to read:

626.381 Renewal, continuation, reinstatement, or termination of appointment.—

(3) Renewal of an appointment which is received on a date set forth by the department or person designated by the department to administer the appointment process prior to the expiration of an appointment in the licensee's birth month or license issue date, whichever applies, in the succeeding month may be renewed by the department without penalty and shall be effective as of the first day of the month succeeding the month in which the appointment would have expired.

(4) Renewal of an appointment which is received by the department or person designated by the department to administer the appointment process after the renewal date set by the department may be accepted and effectuated by the department in its discretion if the an additional appointment, late filing, continuation, and reinstatement fee accompanies the renewal request pursuant to s. 624.501. Late filing fees shall be paid by the appointing entity and may not be charged to the appointee.

(7) The department may adopt rules to implement this section.

Section 37. Subsections (1), (2), and (3) of section 626.451, Florida Statutes, are amended, and subsection (7) is added to that section, to read:

626.451 Appointment of agent or other representative.—

(1) Each appointing entity or person designated by the department to administer the appointment process appointing an agent, adjuster, service representative, customer representative, or managing general agent in this state shall file the appointment with the department and, at the same time, pay the applicable appointment fee and taxes. Every appointment shall be subject to the prior issuance of the appropriate agent's, adjuster's, service representative's, customer representative's, or managing general agent's license.

(2) By authorizing the effectuation of an appointment for a licensee, the appointing entity is thereby certifying to the department that an investigation of the licensee has been made As a part of each appointment there shall be a certified statement or affidavit of an appropriate officer or official of the appointing entity stating what investigation the appointing entity has made concerning the proposed appointee and his or her background and that in the appointing entity's opinion and to the best of its knowledge and belief, the licensee is of good as to the moral character and reputation, and is fit to engage in the insurance business. The appointing entity shall provide to the department fitness, and reputation of the proposed appointee and any other information the department may reasonably require relative to the proposed appointee.

(3) By authorizing the effectuation of ~~In~~ the appointment of an agent, adjuster, service representative, customer representative, or managing general agent the appointing entity is thereby certifying to the department shall also certify therein that it is willing to be bound by the acts of the agent, adjuster, service representative, customer representative, or managing general agent, within the scope of the licensee's his or her employment.

(7) Each licensee shall advise the department in writing within 30 days after having been found guilty of or having pleaded guilty or nolo contendere to a felony or a crime punishable by imprisonment of 1 year or more under the laws of the United States, any state of the United States, or any other country, without regard to whether a judgment of conviction has been entered by the court having jurisdiction of such cases.

Section 38. Section 626.461, Florida Statutes, is amended to read:

626.461 Continuation of appointment of agent or other representative.— Subject to renewal or continuation by the appointing entity, the appointment of the agent, adjuster, ~~solicitor~~, service representative, customer representative, or managing general agent shall continue in effect until the person's license is revoked or otherwise terminated, unless written notice of earlier termination of the appointment is filed with the department or person designated by the department to administer the appointment process by either the appointing entity or the appointee.

Section 39. Subsections (4) and (5) of section 626.471, Florida Statutes, are amended to read:

626.471 Termination of appointment.—

(4) An appointee may terminate the appointment at any time by giving written or electronic notice thereof to the appointing entity, ~~and filing a copy of the notice with the~~ department, or person designated by the department to administer the appointment process. ~~The department shall immediately terminate the appointment and notify the appointing entity of such termination.~~ Such termination shall be subject to the appointee's contract rights, if any.

(5) Upon receiving notice of termination, the department or person designated by the department to administer the appointment process shall terminate the appointment.

Section 40. Subsection (5) of section 626.601, Florida Statutes, is amended to read:

626.601 Improper conduct; inquiry; fingerprinting.—

(5) If the department, after investigation, has reason to believe that a licensee may have been found guilty of or pleaded guilty or nolo contendere to a felony or a crime related to the business of insurance in this or any other state or jurisdiction, the department may require the licensee to file with the department a complete set of his or her fingerprints, which shall be accompanied by the fingerprint processing fee set forth in s. 624.501. The fingerprints shall be taken ~~certified~~ by an authorized law enforcement agency or other department-approved entity officer.

Section 41. Paragraph (b) of subsection (1) of section 626.731, Florida Statutes, is amended to read:

626.731 Qualifications for general lines agent's license.—

(1) The department shall not grant or issue a license as general lines agent to any individual found by it to be untrustworthy or incompetent or who does not meet each of the following qualifications:

(b) The applicant is a United States citizen or legal alien who possesses work authorization from the United States Immigration and Naturalization Service and is a bona fide resident of this state. An individual who is a bona fide resident of this state shall be deemed to meet the residence requirement

of this paragraph, notwithstanding the existence at the time of application for license of a license in his or her name on the records of another state as a resident licensee of such other state, if the applicant furnishes a letter of clearance satisfactory to the department that the resident licenses have been canceled or changed to a nonresident basis and that he or she is in good standing.

Section 42. Subsection (2) of section 626.7315, Florida Statutes, is amended to read:

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

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

Section 43. Paragraphs (a), (b), and (d) of subsection (1) of section 626.732, Florida Statutes, are 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, in-transit and storage personal property insurance, or communications 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, 3 hours of which shall be on the subject matter of ethics, satisfactory to the department at a school, college, or extension division thereof, approved by the department;

(b) Completed a correspondence course in insurance, 3 hours of which shall be on the subject matter of ethics, 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 the definition of general lines agent under s. 626.015;

(d)1. Completed at least 1 year of responsible insurance duties as a licensed and appointed customer representative or limited customer representative in either commercial or personal lines of property and casualty insurance and 40 hours of classroom courses approved by the department

covering the areas of property, casualty, surety, health, and marine insurance; or

2. Completed at least 1 year of responsible insurance duties as a licensed and appointed service representative in either commercial or personal lines of property and casualty insurance and 80 hours of classroom courses approved by the department covering the areas of property, casualty, surety, health, and marine insurance.

Section 44. Section 626.733, Florida Statutes, is amended to read:

626.733 Agency firms and corporations; special requirements.—If a sole proprietorship, partnership, corporation, or association holds an agency contract, all members thereof who solicit, negotiate, or effect insurance contracts, and all officers and stockholders of the corporation who solicit, negotiate, or effect insurance contracts, are required to qualify and be licensed individually as agents, ~~solicitors~~, or customer representatives; and all of such agents must be individually appointed as to each property and casualty insurer entering into an agency contract with such agency. Each such appointing insurer as soon as known to it shall comply with this section and shall determine and require that each agent so associated in or so connected with such agency is likewise appointed as to the same such insurer and for the same type and class of license. However, no insurer is required to comply with the provisions of this section if such insurer satisfactorily demonstrates to the department that the insurer has issued an aggregate net written premium, in an agency, in an amount of \$25,000 or less.

Section 45. Paragraph (a) of subsection (2) and subsection (3) of section 626.7351, Florida Statutes, are amended to read:

626.7351 Qualifications for customer representative's license.—The department shall not grant or issue a license as customer representative to any individual found by it to be untrustworthy or incompetent, or who does not meet each of the following qualifications:

(2)(a) The applicant is a United States citizen or legal alien who possesses work authorization from the United States Immigration and Naturalization Service and is a bona fide resident of this state and will actually reside in the state at least 6 months out of the year. An individual who is a bona fide resident of this state shall be deemed to meet the residence requirements of this subsection, notwithstanding the existence at the time of application for license of a license in his or her name on the records of another state as a resident licensee of the other state, if the applicant furnishes a letter of clearance satisfactory to the department that the resident licenses have been canceled or changed to a nonresident basis and that he or she is in good standing.

(3) Within the 2 years next preceding the date the application for license was filed with the department, the applicant has completed a course in insurance, 3 hours of which shall be on the subject matter of ethics, approved by the department or has had at least 6 months' experience in responsible insurance duties as a substantially full-time employee. Courses must include instruction on the subject matter of unauthorized entities engaging in

the business of insurance. The scope of the topic of unauthorized entities shall include the Florida Nonprofit Multiple-Employer Welfare Arrangement Act and the Employee Retirement Income Security Act, 29 U.S.C. ss. 1001 et seq., as such acts relate to the provision of health insurance by employers and the regulation of such insurance.

Section 46. Subsection (2) of section 626.7354, Florida Statutes, is amended to read:

626.7354 Customer representative's powers; agent's or agency's responsibility.—

(2) A customer representative may engage in transacting insurance with customers who have been solicited by any agent, ~~solicitor~~, or customer representative in the same agency, and may engage in transacting insurance with customers who have not been so solicited to the extent and under conditions that are otherwise consistent with this part and with the insurer's contract with the agent appointing him or her.

Section 47. Paragraph (c) of subsection (1) of section 626.7355, Florida Statutes, is amended to read:

626.7355 Temporary license as customer representative pending examination.—

(1) The department shall issue a temporary customer representative's license with respect to a person who has applied for such license upon finding that the person:

(c) Is a United States citizen or legal alien who possesses work authorization from the United States Immigration and Naturalization Service and is a bona fide resident of this state or is a resident of another state sharing a common boundary with this state. An individual who is a bona fide resident of this state shall be deemed to meet the residence requirement of this paragraph, notwithstanding the existence at the time of application for license, of a license in his or her name on the records of another state as a resident licensee of such other state, if the applicant furnishes a letter of clearance satisfactory to the department that his or her resident licenses have been canceled or changed to a nonresident basis and that he or she is in good standing.

Section 48. Subsection (3) of section 626.741, Florida Statutes, is amended to read:

626.741 Nonresident agents; licensing and restrictions.—

(3) The department shall not, however, issue any license and appointment to any nonresident who has an office or place of business in this state, or who has any direct or indirect pecuniary interest in any insurance agent or, insurance agency, ~~or in any solicitor~~ licensed as a resident of this state; nor to any individual who does not, at the time of issuance and throughout the existence of the Florida license, hold a license as agent or broker issued by his or her home state; nor to any individual who is employed by any

insurer as a service representative or who is a managing general agent in any state, whether or not also licensed in another state as an agent or broker. The foregoing requirement to hold a similar license in the applicant's home state does not apply to customer representatives unless the home state licenses residents of that state in a similar manner. The prohibition against having an office or place of business in this state does not apply to customer representatives who are required to conduct business solely within the confines of the office of a licensed and appointed Florida resident general lines agent in this state. The authority of such nonresident license is limited to the specific lines of authority granted in the license issued by the agent's home state and further limited to the specific lines authorized under the nonresident license issued by this state. The department shall have discretion to refuse to issue any license or appointment to a nonresident when it has reason to believe that the applicant by ruse or subterfuge is attempting to avoid the intent and prohibitions contained in this subsection or to believe that any of the grounds exist as for suspension or revocation of license as set forth in ss. 626.611 and 626.621.

Section 49. Paragraph (a) of subsection (1) of section 626.753, Florida Statutes, is amended to read:

626.753 Sharing commissions; penalty.—

(1)(a) An agent may divide or share in commissions only ~~with his or her own employed solicitors and~~ with other agents appointed and licensed to write the same kind or kinds of insurance.

Section 50. Paragraphs (b) and (d) of subsection (1) of section 626.785, Florida Statutes, are amended to read:

626.785 Qualifications for license.—

(1) The department shall not grant or issue a license as life agent to any individual found by it to be untrustworthy or incompetent, or who does not meet the following qualifications:

(b) Must be a United States citizen or legal alien who possesses work authorization from the United States Immigration and Naturalization Service and a bona fide resident of this state.

(d) Must not be a funeral director or direct disposer, or an employee or representative thereof, or have an office in, or in connection with, a funeral establishment, except that a funeral establishment may contract with a life insurance agent to sell a preneed contract as defined in chapter 497. Notwithstanding other provisions of this chapter, such insurance agent may sell limited policies of insurance covering the expense of final disposition or burial of an insured in the an amount of \$12,500, plus an annual percentage increase based on the Annual Consumer Price Index compiled by the United States Department of Labor, beginning with the Annual Consumer Price Index announced by the United States Department of Labor for the year 2003 not to exceed \$10,000.

Section 51. Subsections (1) and (2) of section 626.7851, Florida Statutes, are amended to read:

626.7851 Requirement as to knowledge, experience, or instruction.—No applicant for a license as a life agent, except for a chartered life underwriter (CLU), shall be qualified or licensed unless within the 4 years immediately preceding the date the application for a license is filed with the department he or she has:

(1) Successfully completed 40 hours of classroom courses in insurance, 3 hours of which shall be on the subject matter of ethics, satisfactory to the department at a school or college, or extension division thereof, or other authorized course of study, approved by the department. Courses must include instruction on the subject matter of unauthorized entities engaging in the business of insurance, to include the Florida Nonprofit Multiple-Employer Welfare Arrangement Act and the Employee Retirement Income Security Act, 29 U.S.C. ss. 1001 et seq., as it relates to the provision of life insurance by employers to their employees and the regulation thereof;

(2) Successfully completed a correspondence course in insurance, 3 hours of which shall be on the subject matter of ethics, satisfactory to the department and regularly offered by accredited institutions of higher learning in this state, approved by the department. Courses must include instruction on the subject matter of unauthorized entities engaging in the business of insurance, to include the Florida Nonprofit Multiple-Employer Welfare Arrangement Act and the Employee Retirement Income Security Act, 29 U.S.C. ss. 1001 et seq., as it relates to the provision of life insurance by employers to their employees and the regulation thereof;

Section 52. Subsection (2) of section 626.829, Florida Statutes, is amended to read:

626.829 “Health agent” defined.—

(2) Any person who acts for an insurer, or on behalf of a licensed representative of an insurer, to solicit applications for or to negotiate and effectuate health insurance contracts, whether or not he or she is appointed as an agent, subagent, ~~solicitor~~, or canvasser or by any other title, shall be deemed to be a health agent and shall be qualified, licensed, and appointed as a health agent.

Section 53. Paragraph (b) of subsection (1) of section 626.831, Florida Statutes, is amended to read:

626.831 Qualifications for license.—

(1) The department shall not grant or issue a license as health agent as to any individual found by it to be untrustworthy or incompetent, or who does not meet the following qualifications:

(b) Must be a United States citizen or legal alien who possesses work authorization from the United States Immigration and Naturalization Service and a bona fide resident of this state.

Section 54. Subsections (1) and (2) of section 626.8311, Florida Statutes, are amended to read:

626.8311 Requirement as to knowledge, experience, or instruction.—No applicant for a license as a health agent, except for a chartered life underwriter (CLU), shall be qualified or licensed unless within the 4 years immediately preceding the date the application for license is filed with the department he or she has:

(1) Successfully completed 40 hours of classroom courses in insurance, 3 hours of which shall be on the subject matter of ethics, satisfactory to the department at a school or college, or extension division thereof, or other authorized course of study, approved by the department. Courses must include instruction on the subject matter of unauthorized entities engaging in the business of insurance, to include the Florida Nonprofit Multiple-Employer Welfare Arrangement Act and the Employee Retirement Income Security Act, 29 U.S.C. ss. 1001 et seq., as it relates to the provision of health insurance by employers to their employees and the regulation thereof;

(2) Successfully completed a correspondence course in insurance, 3 hours of which shall be on the subject matter of ethics, satisfactory to the department and regularly offered by accredited institutions of higher learning in this state, approved by the department. Courses must include instruction on the subject matter of unauthorized entities engaging in the business of insurance, to include the Florida Nonprofit Multiple-Employer Welfare Arrangement Act and the Employee Retirement Income Security Act, 29 U.S.C. ss. 1001 et seq., as it relates to the provision of health insurance by employers to their employees and the regulation thereof;

Section 55. Subsection (2) of section 626.8414, Florida Statutes, is amended to read:

626.8414 Qualifications for examination.—The department must authorize any natural person to take the examination for the issuance of a license as a title insurance agent if the person meets all of the following qualifications:

(2) The applicant must be a United States citizen or legal alien who possesses work authorization from the United States Immigration and Naturalization Service and a bona fide resident of this state. A person meets the residency requirement of this subsection, notwithstanding the existence at the time of application for license of a license in the applicant's name on the records of another state as a resident licensee of such other state, if the applicant furnishes a letter of clearance satisfactory to the department that the resident licenses have been canceled or changed to a nonresident basis and that the applicant is in good standing.

Section 56. Paragraph (a) of subsection (3) of section 626.8417, Florida Statutes, is amended to read:

626.8417 Title insurance agent licensure; exemptions.—

(3) The department shall not grant or issue a license as title agent to any individual found by it to be untrustworthy or incompetent, who does not meet the qualifications for examination specified in s. 626.8414, or who does not meet the following qualifications:

(a) Within the 4 years immediately preceding the date of the application for license, the applicant must have completed a 40-hour classroom course in title insurance, 3 hours of which shall be on the subject matter of ethics, as approved by the department, or must have had at least 12 months of experience in responsible title insurance duties, while working in the title insurance business as a substantially full-time, bona fide employee of a title agency, title agent, title insurer, or attorney who conducts real estate closing transactions and issues title insurance policies but who is exempt from licensure pursuant to paragraph (4)(a). If an applicant's qualifications are based upon the periods of employment at responsible title insurance duties, the applicant must submit, with the application for license on a form prescribed by the department, the affidavit of the applicant and of the employer setting forth the period of such employment, that the employment was substantially full time, and giving a brief abstract of the nature of the duties performed by the applicant.

Section 57. Section 626.843, Florida Statutes, is amended to read:

626.843 Renewal, continuation, reinstatement, termination of title insurance agent's appointment.—

(1) The appointment of a title insurance agent shall continue in force until suspended, revoked, or otherwise terminated, but subject to a renewed request filed by the insurer every 24 months after the original issue date of the appointment, accompanied by payment of the renewal appointment fee and taxes as prescribed in s. 624.501.

~~(2) Title insurance agent appointments shall be renewed pursuant to s. 626.381 for insurance representatives in general. Each insurer shall file with the department the lists, statements, and information as to appointments which are being renewed or being terminated, accompanied by payment of the applicable renewal fees and taxes as prescribed in s. 624.501, by a date set forth by the department following the month during which the appointments will expire.~~

~~(3) Request for renewal of an appointment which is received on a date set forth by the department in the succeeding month may be renewed by the department without penalty, and shall be effective as of the day the appointment would have expired.~~

~~(4) Request for renewal of an appointment which is received by the department after the date set by the department may be accepted and effectuated by the department in its discretion if an additional appointment continuation and reinstatement fee accompany the request for renewal pursuant to s. 624.501.~~

~~(3)(5)~~ The appointment issued shall remain in effect for so long as the appointment represented thereby continues in force as provided in this section.

Section 58. Paragraph (b) of subsection (1) of section 626.865, Florida Statutes, is amended to read:

626.865 Public adjuster's qualifications, bond.—

(1) The department shall issue a license to an applicant for a public adjuster's license upon determining that the applicant has paid the applicable fees specified in s. 624.501 and possesses the following qualifications:

(b) Is a United States citizen or legal alien who possesses work authorization from the United States Immigration and Naturalization Service and a bona fide resident of this state.

Section 59. Subsection (2) of section 626.866, Florida Statutes, is amended to read:

626.866 Independent adjuster's qualifications.—The department shall issue a license to an applicant for an independent adjuster's license upon determining that the applicable license fee specified in s. 624.501 has been paid and that the applicant possesses the following qualifications:

(2) Is a United States citizen or legal alien who possesses work authorization from the United States Immigration and Naturalization Service and a bona fide resident of this state.

Section 60. Subsection (2) of section 626.867, Florida Statutes, is amended to read:

626.867 Company employee adjuster's qualifications.—The department shall issue a license to an applicant for a company employee adjuster's license upon determining that the applicable license fee specified in s. 624.501 has been paid and that the applicant possesses the following qualifications:

(2) Is a United States citizen or legal alien who possesses work authorization from the United States Immigration and Naturalization Service and a bona fide resident of this state.

Section 61. Section 626.869, Florida Statutes, is amended to read:

626.869 License, adjusters.—

(1) An applicant for a license as an adjuster may qualify and his or her license when issued may cover adjusting in any one of the following classes of insurance:

- (a) All lines of insurance except life and annuities.
- (b) Motor vehicle physical damage insurance.
- (c) Property and casualty insurance.
- (d) Workers' compensation insurance.
- (e) Health insurance.

(2) All individuals who on October 1, 1990, hold an adjuster's license and appointment limited to fire and allied lines, including marine or casualty or

boiler and machinery, may remain licensed and appointed under the limited license and may renew their appointment, but no license or appointment which has been terminated, not renewed, suspended, or revoked shall be reinstated, and no new or additional licenses or appointments shall be issued.

~~(3) With the exception of a public adjuster limited to health insurance, a limited license set forth in subsection (1) as an independent or public adjuster may only be issued to and retained by an employee of an independent or public adjusting firm which is supervised by a duly appointed all-lines adjuster or an employee of an independent or public adjuster licensed and appointed in all lines of insurance other than life and annuity. The office of the limited lines adjuster shall be in the office of the licensed all-lines adjuster responsible for his or her supervision and instruction.~~

(3)(4) The applicant's application for license shall specify which of the foregoing classes of business the application for license is to cover.

~~(4)(5) Any individual person holding a license for 24 consecutive months or longer and who engages in adjusting workers' compensation insurance must, beginning in his or her their birth month and every 2 years thereafter, have completed 24 hours of courses, 2 hours of which relate to ethics, in subjects designed to inform the licensee regarding the current insurance workers' compensation laws of this state, so as to enable him or her to engage in business as an a workers' compensation insurance adjuster fairly and without injury to the public and to adjust all claims in accordance with the policy or contract and the workers' compensation laws of this state. In order to qualify as an eligible course under this subsection, the course must:~~

~~(a) Have a course outline approved by the department.~~

~~(b) Be taught at a school training facility or other location approved by the department.~~

~~(c) Be taught by instructors with at least 5 years of experience in the area of workers' compensation, general lines of insurance, or other persons approved by the department. However, a member of The Florida Bar is exempt from the 5 years' experience requirement.~~

~~(d) Furnish the attendee a certificate of completion. The course provider shall send a roster to the department in a format prescribed by the department.~~

(5) The regulation of continuing education for licensees, course providers, instructors, school officials, and monitor groups shall be as provided for in s. 626.2816.

Section 62. Subsection (1) of section 626.874, Florida Statutes, is amended to read:

626.874 Catastrophe or emergency adjusters.—

(1) In the event of a catastrophe or emergency, the department may issue a license, for the purposes and under the conditions which it shall fix and

for the period of emergency as it shall determine, to persons who are residents or nonresidents of this state, who are at least 18 years of age, who are United States citizens or legal aliens who possess work authorization from the United States Immigration and Naturalization Service, and who are not licensed adjusters under this part but who have been designated and certified to it as qualified to act as adjusters by independent resident adjusters or by an authorized insurer or by a licensed general lines agent to adjust claims, losses, or damages under policies or contracts of insurance issued by such insurers. The fee for the license shall be as provided in s. 624.501(12)(c).

Section 63. Section 626.878, Florida Statutes, is amended to read:

626.878 Rules; code of ethics.—An adjuster shall subscribe to the code of ethics specified in the rules of the department. The rules shall implement the provisions of this part and specify the terms and conditions of contracts, including a right to cancel, and require practices necessary to ensure fair dealing, prohibit conflicts of interest, and ensure preservation of the rights of the claimant to participate in the adjustment of claims.

Section 64. Subsection (1) of section 626.797, Florida Statutes, is amended to read:

626.797 Code of ethics.—

(1) The department shall, after consultation with the Florida Association Of Insurance and Financial Advisors ~~Life Underwriters~~, adopt a code of ethics, or continue any such code heretofore so adopted, to govern the conduct of life agents in their relations with the public, other agents, and the insurers.

Section 65. Paragraph (z) of subsection (1) of section 626.9541, Florida Statutes, is amended to read:

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

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

(z) Sliding.—Sliding is the act or practice of:

1. Representing to the applicant that a specific ancillary coverage or product is required by law in conjunction with the purchase of ~~motor vehicle~~ insurance when such coverage or product is not required;

2. Representing to the applicant that a specific ancillary coverage or product is included in the ~~motor vehicle~~ policy applied for without an additional charge when such charge is required; or

3. Charging an applicant for a specific ancillary coverage or product, in addition to the cost of the ~~motor vehicle~~ insurance coverage applied for, without the informed consent of the applicant.

Section 66. Paragraph (f) is added to subsection (7) of section 626.9916, Florida Statutes, to read:

626.9916 Viatical settlement broker license required; application for license.—

(7) Upon the filing of a sworn application and the payment of the license fee and all other applicable fees under this act, the department shall investigate each applicant and may issue the applicant a license if the department finds that the applicant:

(f) If a natural person, is at least 18 years of age and a United States citizen or legal alien who possesses work authorization from the United States Immigration and Naturalization Service.

Section 67. Paragraph (c) of subsection (1) of section 627.679, Florida Statutes, is amended to read:

627.679 Amount of insurance; disclosure.—

(1)

(c) Before any credit life insurance may be sold in connection with a specific installment loan or home equity line of credit, the creditor agent or agent shall obtain a separate written acknowledgment with respect to each of the following:

1. That the borrower understands that he or she has the option of assigning any other policy or policies the borrower owns or may procure for the purpose of covering such loan and that the policy need not be purchased from the creditor agent in order to obtain the loan.

2. That the borrower understands that the credit life coverage may be deferred if, at the time of application, the borrower is unable to engage in employment or unable to perform normal activities of a person of like age and sex, if the proposed credit life insurance policy contains this restriction.

3. That the borrower understands that the benefits under the policy will terminate when the borrower reaches a certain age and that the borrower's age is accurately represented on the application or policy.

Paragraph (c) does not apply to credit life insurance relating to open-end or revolving credit arrangements. In lieu of the required written acknowledgments set forth in this paragraph and s. 626.9551(2)(a), if the sale of credit life insurance is solicited or consummated telephonically, the creditor agent or agent shall provide written disclosures of such options to the borrower within 30 days from the date the coverage takes effect. The borrower must be notified that he or she has 30 days from the date the disclosures are received to rescind the credit life insurance coverage.

Section 68. Paragraph (a) of subsection (5) of section 627.7295, Florida Statutes, is amended to read:

627.7295 Motor vehicle insurance contracts.—

(5)(a) A licensed general lines agent may charge a per-policy fee not to exceed \$20 ~~\$10~~ to cover the administrative costs of the agent associated with selling the motor vehicle insurance policy ~~if the policy covers only personal injury protection coverage as provided by s. 627.736 and property damage liability coverage as provided by s. 627.7275 and if no other insurance is sold or issued in conjunction with or collateral to the policy.~~ The per-policy fee must be a component of the insurer's rate filing and may not be charged by an agent unless the fee is included in the filing. The fee is not considered part of the premium except for purposes of the department's review of expense factors in a filing made pursuant to s. 627.062.

Section 69. Subsection (3) of section 632.634, Florida Statutes, is amended to read:

632.634 Licensing and appointment of agents.—

(3) Any agent, representative, or member of a society who in any preceding calendar year has solicited and procured life insurance benefit contracts on behalf of any society in a total amount of insurance less than \$50,000, or, in the case of any other kind or kinds of insurance benefit contracts which the society might write, on not more than 25 individuals, shall be exempt from the agent licensing and appointment requirements of subsection (1). Upon request by the department, every society shall register, on forms prescribed by the department and on or before March 1 of each year, the name and residence address of each agent, representative, or member exempt under the provisions of this subsection and shall, within 30 days of termination of employment, notify the department of the termination. Any agent, representative, or member for which an exemption is claimed due to employment by the society subsequent to March 1 shall be registered by the society with the department within 10 days of the date of employment.

Section 70. Section 634.171, Florida Statutes, is amended to read:

634.171 Salesperson to be licensed and appointed.—Salespersons for motor vehicle service agreement companies and insurers shall be licensed, appointed, renewed, continued, reinstated, or terminated as prescribed in chapter 626 for insurance representatives in general. However, they shall be exempt from all other provisions of chapter 626 including fingerprinting, photo identification, education, and examination provisions. License, appointment, and other fees shall be those prescribed in s. 624.501. A licensed and appointed salesperson shall be directly responsible and accountable for all acts of her or his employees and other representatives. Each service agreement company or insurer shall, on forms prescribed by the department, within 30 days after termination of the appointment, notify the department of such termination. No employee or salesperson of a motor vehicle service agreement company or insurer may directly or indirectly solicit or negotiate insurance contracts, or hold herself or himself out in any manner to be an insurance agent ~~or solicitor~~, unless so qualified, licensed, and appointed therefor under the Florida Insurance Code. A motor vehicle service agreement company is not required to be licensed as a salesperson to solicit,

sell, issue, or otherwise transact the motor vehicle service agreements issued by the motor vehicle service agreement company.

Section 71. Section 634.420, Florida Statutes, is amended to read:

634.420 License and appointment of sales representatives.—Sales representatives for service warranty associations or insurers shall be licensed, appointed, renewed, continued, reinstated, or terminated in accordance with procedures as prescribed in chapter 626 for insurance representatives in general. However, they shall be exempt from all other provisions of chapter 626, including fingerprinting, photo identification, education, and examination. License, appointment, and other fees shall be those prescribed in s. 624.501. A licensed and appointed sales representative shall be directly responsible and accountable for all acts of the licensed sales representative's employees or other representatives. Each service warranty association or insurer shall, on forms prescribed by the department, within 30 days after termination of the appointment, notify the department of such termination. No employee or sales representative of a service warranty association or insurer may directly or indirectly solicit or negotiate insurance contracts, or hold herself or himself out in any manner to be an insurance agent ~~or solicitor~~, unless so qualified, licensed, and appointed therefor under the insurance code.

Section 72. Section 642.034, Florida Statutes, is amended to read:

642.034 License and appointment required.—No person may solicit, negotiate, sell, or execute legal expense insurance contracts on behalf of an insurer in this state unless such person is licensed and appointed as a sales representative or is licensed and appointed under the insurance code as a general lines agent ~~or solicitor~~. No person licensed and appointed as a legal expense insurance sales representative may solicit, negotiate, sell, or execute any other contract of insurance unless such person is duly licensed and appointed to do so under the provisions of chapter 626.

Section 73. Section 642.036, Florida Statutes, is amended to read:

642.036 Sales representatives to be licensed and appointed.—Sales representatives of legal expense insurers shall be licensed, appointed, renewed, continued, reinstated, or terminated as prescribed in chapter 626 for insurance representatives in general, and shall pay the license and appointment fees prescribed in s. 624.501. No employee or sales representative of an insurer may directly or indirectly solicit or negotiate insurance contracts, or hold herself or himself out in any manner to be an insurance agent ~~or solicitor~~, unless so qualified, licensed, and appointed therefor under the insurance code.

Section 74. Section 642.045, Florida Statutes, is amended to read:

642.045 Procedure for refusal, suspension, or revocation of license and appointment of sales representative; departmental action upon violation by licensed insurance agent ~~or solicitor~~.—

(1) If any sales representative is convicted by a court of a violation of any provision of ss. 642.011-642.049, the license and appointment of such indi-

vidual shall thereby be deemed to be immediately revoked without any further procedure relative thereto by the department.

(2) Whenever it appears that any licensed insurance agent ~~or solicitor~~ has violated the provisions of ss. 642.011-642.049, or if any grounds listed in s. 642.041 or s. 642.043 exist as to such agent ~~or solicitor~~, the department may take such action as is authorized by the insurance code for a violation of the insurance code by such agent ~~or solicitor~~, or such action as is authorized by this chapter for a violation of this chapter by a sales representative.

Section 75. Paragraph (b) of subsection (5) and subsection (9) of section 648.27, Florida Statutes, are amended to read:

648.27 Licenses and appointments; general.—

(5)

(b) The license of a temporary bail bond agent ~~or runner~~ shall continue in force until suspended, revoked, or otherwise terminated.

(9) If, upon application for an appointment and such investigation as the department may make, it appears to the department that an individual has been actively engaged or is currently actively engaged in bail bond activities without being appointed as required, the department may, if it finds that such failure to be appointed is an error on the part of the insurer or employer so represented, issue or authorize the issuance of the appointment as applied for, but subject to the condition that, before the appointment is issued, all fees and taxes which would have been due had the applicant been so appointed during such current and prior periods, together with a continuation fee for such current and prior terms of appointment, shall be paid to the department. Failure to notify the department within the required time period shall result in the appointing entity being assessed a delinquent fee of \$250. Delinquent fees shall be paid by the appointing entity and shall not be charged to the appointee.

Section 76. Paragraph (b) of subsection (2) and subsections (5) and (6) of section 648.34, Florida Statutes, are amended to read:

648.34 Bail bond agents; qualifications.—

(2) To qualify as a bail bond agent, it must affirmatively appear at the time of application and throughout the period of licensure that the applicant has complied with the provisions of s. 648.355 and has obtained a temporary license pursuant to such section and:

(b) The applicant is a United States citizen or legal alien who possesses work authorization from the United States Immigration and Naturalization Service and is a resident of this state. An individual who is a resident of this state shall be deemed to meet the residence requirement of this paragraph, notwithstanding the existence, at the time of application for license, of a license in the applicant's name on the records of another state as a resident licensee of such other state, if the applicant furnishes a letter of clearance satisfactory to the department that his or her resident licenses have been

canceled or changed to a nonresident basis and that he or she is in good standing.

(5) The department shall conduct a comprehensive investigation of each applicant, including a background check. The investigation of the applicant's qualifications, character, experience, background, and fitness shall include submission of the applicant's fingerprints to the Department of Law Enforcement and the Federal Bureau of Investigation and consideration of any state criminal records, federal criminal records, or local criminal records obtained from these agencies or from local law enforcement agencies.

(6) The provisions of s. 112.011 do not apply to bail bond agents ~~or runners~~ or to applicants for licensure as bail bond agents ~~or runners~~.

Section 77. Paragraphs (b) and (e) of subsection (1) of section 648.355, Florida Statutes, are amended to read:

648.355 Temporary limited license as limited surety agent or professional bail bond agent; pending examination.—

(1) The department may, in its discretion, issue a temporary license as a limited surety agent or professional bail bond agent, subject to the following conditions:

(b) The applicant is a United States citizen or legal alien who possesses work authorization from the United States Immigration and Naturalization Service and is a resident of this state. An individual who is a resident of this state shall be deemed to meet the residence requirement of this paragraph, notwithstanding the existence, at the time of application for temporary license, of a license in the individual's name on the records of another state as a resident licensee of such other state, if the applicant furnishes a letter of clearance satisfactory to the department that the individual's resident licenses have been canceled or changed to a nonresident basis and that the individual is in good standing.

(e) The applicant must be employed full-time at the time of licensure, and at all times throughout the existence of the temporary license, by only one licensed and appointed supervising bail bond agent, who supervises the work of the applicant and is responsible for the licensee's conduct in the bail bond business. The applicant must be appointed by the same insurers as the supervising bail bond agent. The supervising bail bond agent shall certify monthly to the department under oath, on a form prescribed by the department, the names and hours worked each week of all temporary bail bond agents. Filing a false certification is grounds for the immediate suspension of the license and imposition of a \$5,000 administrative fine. The department may adopt rules that establish standards for the employment requirements.

Section 78. Paragraph (a) of subsection (2) and subsection (3) of section 648.382, Florida Statutes, are amended, and subsection (6) is added to that section, to read:

648.382 Appointment of bail bond agents and temporary bail bond agents; effective date of appointment.—

(2) Prior to any appointment, an appropriate officer or official of the appointing insurer in the case of a bail bond agent or an insurer, managing general agent, or bail bond agent in the case of a temporary bail bond agent must submit:

(a) A certified statement or affidavit to the department stating what investigation has been made concerning the proposed appointee and the proposed appointee's background and the appointing person's opinion to the best of his or her knowledge and belief as to the moral character, fitness, and reputation of the proposed appointee. In lieu of such certified statement or affidavit, by authorizing the effectuation of an appointment for a licensee, the appointing entity certifies to the department that such investigation has been made and that the results of the investigation and the appointing person's opinion is that the proposed appointee is a person of good moral character and reputation and is fit to engage in the bail bond business;

(3) By authorizing the effectuation of an appointment for a licensee, the appointing insurer certifies to the department ~~Prior to any appointment of a bail bond agent, the appointing insurer must certify to the department that the insurer will be bound by the acts of the bail bond agent acting within the scope of his or her appointment, and, in the case of a temporary bail bond agent, the appointing insurer, managing general agent, or bail bond agent, as the case may be, must certify to the department that he or she will supervise the temporary bail bond agent's activities.~~

(6) Failure to notify the department within the required time period shall result in the appointing entity being assessed a delinquent fee of \$250. Delinquent fees shall be paid by the appointing entity and shall not be charged to the appointee.

Section 79. Section 648.383, Florida Statutes, is amended to read:

648.383 Renewal, continuation, reinstatement, and termination of appointment; bail bond agents.—

(1) The appointment of a bail bond agent shall continue in force unless suspended, revoked, or otherwise terminated, subject to a renewal request filed by the appointing entity in the appointee's birth month and every 24 months thereafter. A renewal request must be filed with the department or person designated by the department to administer appointments along with payment of the renewal appointment fee and taxes as prescribed in s. 624.501.

(2) Each appointing person or person designated by the department to administer appointments ~~must file with the department~~ the lists, statement, and information as to each bail bond agent whose appointment is being renewed, accompanied by payment of the applicable renewal fees and taxes as prescribed in s. 624.501, ~~by a date established by the department following the month during which the appointment will expire.~~

(3) An appointment may be renewed ~~by the department~~ without penalty if the information required under subsection (2) is received ~~by the department on or~~ prior to the expiration of the appointment in the licensee's birth

month date established by the department for renewal, and such appointment shall be renewed, is effective on the first day of the month succeeding the month in which the appointment was scheduled to expire.

(4) If the information required under subsection (2) is received ~~by the department after the renewal date established by the department for renewal~~, the appointment may be renewed ~~by the department if the an additional appointment, late filing, continuation, and reinstatement fees accompany fee accompanies~~ the application as required under s. 624.501.

Section 80. Subsections (1) and (3) of section 648.50, Florida Statutes, are amended to read:

648.50 Effect of suspension, revocation upon associated licenses and licenses.—

(1) Upon the suspension, revocation, or refusal to renew or continue any license or appointment or the eligibility to hold a license or appointment of a bail bond agent or, temporary bail bond agent, ~~or runner~~, the department shall at the same time likewise suspend or revoke all other licenses or appointments and the eligibility to hold any other such licenses or appointments which may be held by the licensee under the Florida Insurance Code.

(3) No person whose license as a bail bond agent or, temporary bail bond agent, ~~or runner~~ has been revoked or suspended shall be employed by any bail bond agent, have any ownership interest in any business involving bail bonds, or have any financial interest of any type in any bail bond business during the period of revocation or suspension.

Section 81. Section 324.032, Florida Statutes, is amended to read:

324.032 Manner of proving financial responsibility; for-hire passenger transportation vehicles.—

(4) Notwithstanding the provisions of s. 324.031,;

(1) A person who is either the owner or a lessee required to maintain insurance under s. 324.021(9)(b) and who operates one or more at least 300 taxicabs, limousines, jitneys, or any other for-hire passenger transportation vehicles may prove financial responsibility by satisfying the following:

(a) furnishing satisfactory evidence of holding a motor vehicle liability policy as defined in s. 324.031, but with minimum limits of \$125,000/250,000/50,000.; ~~or~~

(2)(b) An owner or a lessee who is required to maintain insurance under s. 324.021(9)(b) and who operates at least 300 taxicabs, limousines, jitneys, or any other for-hire passenger transportation vehicles may provide financial responsibility by complying with the provisions of s. 324.171, such compliance to be demonstrated by maintaining at its principal place of business an audited financial statement, prepared in accordance with generally accepted accounting principles, and providing to the department a certification issued by a certified public accountant that the applicant's net worth is at

least equal to the requirements of s. 324.171 as determined by the Department of Insurance, including claims liabilities in an amount certified as adequate by a Fellow of the Casualty Actuarial Society.

Upon request by the department, the applicant must provide the department at the applicant's principal place of business in this state access to the applicant's underlying financial information and financial statements that provide the basis of the certified public accountant's certification. The applicant shall reimburse the requesting department for all reasonable costs incurred by it in reviewing the supporting information. The maximum amount of self-insurance permissible under this subsection is \$300,000 and must be stated on a per-occurrence basis, and the applicant shall maintain adequate excess insurance issued by an authorized or eligible insurer licensed or approved by the Department of Insurance. All risks self-insured shall remain with the owner or lessee providing it, and the risks are not transferable to any other person, unless a policy complying with subsection (1) paragraph (a) is obtained.

~~(2) The provisions of subsection (1) shall not apply in a county with a population in excess of 1.25 million persons as of June 11, 1995.~~

Section 82. Sections 626.032 and 626.361, Florida Statutes, are repealed.

Section 83. Subsection (5) of section 626.869, Florida Statutes, is amended to read:

626.869 License, adjusters.—

(5)(a) Any person holding a license for 24 consecutive months or longer and who engages in adjusting workers' compensation insurance must, beginning in their birth month and every 2 years thereafter, have completed 24 hours of courses, 2 hours of which relate to ethics, in subjects designed to inform the licensee regarding the current workers' compensation laws of this state, so as to enable him or her to engage in business as a workers' compensation insurance adjuster fairly and without injury to the public and to adjust all claims in accordance with the policy or contract and the workers' compensation laws of this state.

(b) Any individual holding a license as a public adjuster for 24 consecutive months or longer, beginning in their birth month and every 2 years thereafter, must have completed 24 hours of courses, 2 hours of which relate to ethics, in subjects designed to inform the licensee regarding the current laws of this state pertaining to all lines of insurance other than life and annuities, so as to enable him or her to engage in business as an adjuster fairly and without injury to the public and to adjust all claims in accordance with the policy or contract and laws of this state.

(c) In order to qualify as an eligible course under this subsection, the course must:

1.(a) Have a course outline approved by the department.

2.(b) Be taught at a school training facility or other location approved by the department.

3.(e) Be taught by instructors with at least 5 years of experience in the area of workers' compensation, general lines of insurance, or other persons approved by the department. However, a member of The Florida Bar is exempt from the 5 years' experience requirement.

4.(d) Furnish the attendee a certificate of completion. The course provider shall send a roster to the department in a format prescribed by the department.

(d) The Financial Services Commission shall adopt rules necessary to implement and administer the continuing education requirements of this subsection.

Section 84. This act shall take effect upon becoming a law.

Approved by the Governor June 26, 2003.

Filed in Office Secretary of State June 26, 2003.