

## House Bill No. 501

An act relating to insurance field representatives and operations; amending s. 626.321, F.S.; including service warranty agreement sales covering communications equipment under certain limited licensing provisions; providing for additional appointment authority for certain licensed branch locations of a communications equipment retail vendor; revising certain application, appointment, and licensing requirements for certain entities; providing for payment of appointment fees; providing an exception; requiring renewals of appointments; providing for a renewal fee; amending s. 626.731, F.S.; revising a qualification for licensure as a general lines agent; amending s. 627.7295, F.S.; deleting a requirement for inclusion of an agent fee in a rate filing; providing an effective date.

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

Section 1. Paragraph (i) of subsection (1) of section 626.321, Florida Statutes, is 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:

(i) In-transit and storage personal property insurance; communications equipment property insurance, or communications equipment inland marine insurance, and communications equipment service warranty agreement sales.—

1. A license covering only the insurance of personal property not held for resale, covering the risks of transportation or storage in rented or leased motor vehicles, trailers, or self-service storage facilities, as the latter are defined in s. 83.803, may be issued, without examination, only to employees or authorized representatives of lessors who rent or lease motor vehicles, trailers, or self-service storage facilities and who are authorized by an insurer to issue certificates or other evidences of insurance to lessees of such motor vehicles, trailers, or self-service storage facilities under an insurance policy issued to the lessor. A person licensed under this paragraph shall give a prospective purchaser of in-transit or storage personal property insurance written notice that his or her homeowner's policy may provide coverage for the loss of personal property and that the purchase of such insurance is not required under the lease terms.

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

- a. Employees or authorized representatives of a licensed general lines agent;
- b. The lead ~~Each~~ business location of a retail vendor of communications equipment and its branch locations; or
- c. Employees, agents, or authorized representatives of a retail vendor of communications equipment.

The license authorizes the sale of such policies, or certificates under a group master policy, only with respect to the sale of, or provision of communications service for, communications equipment. A general lines agent is not required to obtain a license under this subparagraph to offer or sell communications equipment property insurance or communication equipment inland marine insurance. The license also authorizes sales of service warranty agreements covering only communications equipment to the same extent as if licensed under s. 634.419 or s. 634.420. The provisions of this chapter requiring submission of fingerprints do not apply to communications equipment licenses issued to qualified entities under this subparagraph. Licensees offering policies under this subparagraph must receive initial training from, and have a contractual relationship with, a general lines agent. For the purposes of this subparagraph, the term “communications equipment” means handsets, pagers, personal digital assistants, portable computers, automatic answering devices, and other devices or accessories used to originate or receive communications signals or service, and includes services related to the use of such devices, such as consumer access to a wireless network; however, the term does not include telecommunications switching equipment, transmission wires, cell site transceiver equipment, or other equipment and systems used by telecommunications companies to provide telecommunications service to consumers. A branch location of a retail vendor of communications equipment licensed pursuant to paragraph (2)(b) may, in lieu of obtaining an appointment from an insurer or warranty association as provided in paragraph (2)(c), obtain a single appointment from the associated lead business location licensee licensed under paragraph (2)(a) and pay the prescribed appointment fee under s. 624.501 provided the lead business location has a single appointment from each insurer or warranty association represented and such appointment provides that it applies to the lead business location and all of its branch locations. Any branch location individually appointed by an insurer under paragraph (2)(c) prior to January 1, 2006, may replace its appointments with an appointment from its lead location at no charge. Branch location appointments shall be renewed on the first annual anniversary of licensure of the lead business location occurring more than 24 months after the initial appointment date and every 24 months thereafter. Notwithstanding s. 624.501, after July 1, 2006, the renewal fee applicable to such branch location appointments shall be \$30 per appointment.

Section 2. Paragraph (f) 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:

(f) The applicant is not a service representative, a managing general agent in this state, or a special agent or similar service representative of a health insurer which also transacts property, casualty, or surety insurance; except that the president, vice president, secretary, or treasurer, including a member of the board of directors, of a corporate insurer, if otherwise qualified under and meeting the requirements of this part, may be licensed and appointed as a local resident agent.

Section 3. 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 \$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 office's review of expense factors in a filing made pursuant to s. 627.062.~~

Section 4. This act shall take effect upon becoming a law.

Approved by the Governor June 10, 2005.

Filed in Office Secretary of State June 10, 2005.