

## House Bill No. 1113

An act relating to insurance agents; amending s. 626.171, F.S.; providing additional requirements for applications for certain licenses; requiring applicants to submit fingerprints and pay a processing fee; providing for fingerprints to be taken by a designated examination center; requiring the Department of Financial Services to require designated examination centers to have fingerprinting equipment and take fingerprints; prohibiting the department from approving licensure applications without submitted fingerprints; amending s. 626.211, F.S.; deleting a prohibition against the department denying, delaying, or withholding approval of applications lacking a criminal history report; revising circumstances under which the department must notify an applicant about examinations; amending s. 626.221, F.S.; expanding the authorized adjuster designations for exemptions from adjuster license examinations; amending s. 626.231, F.S.; providing authorization and procedures for applying on the department's Internet website to take a licensure examination prior to applying for licensure; specifying required application information; requiring an application disclosure statement; requiring payment of an examination fee with an application; amending s. 626.241, F.S.; providing for application of certain examination provisions to certain persons; creating s. 626.2415, F.S.; requiring the department to annually prepare, publicly announce, and publish reports of certain examination statistical information; providing report requirements; authorizing the department to provide certain contracted testing service providers with certain demographic application information under certain circumstances; amending s. 626.251, F.S.; requiring the department to provide certain information to examination applicants; amending s. 626.261, F.S.; specifying required conduct for examination applicants; amending s. 626.281, F.S.; applying reexamination provisions to examination applicants; amending s. 626.291, F.S.; requiring the department to issue a license for certain applicants after the department approves the application; specifying a period of validity of a passing examination grade; prohibiting the department from issuing a license based on an examination taken more than 1 year prior to filing an application; providing appropriations; authorizing additional positions; providing effective dates.

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

Section 1. Effective January 1, 2007, subsections (2) and (4) of section 626.171, Florida Statutes, are amended to read:

626.171 Application for license as an agent, customer representative, adjuster, service representative, managing general agent, or reinsurance intermediary.—

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

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

(b) Proof that he or she has completed or is in the process of completing any required prelicensing course.

(c) Whether he or she has been refused or has voluntarily surrendered or has had suspended or revoked a license to solicit insurance by the department or by the supervising officials of any state.

(d) Whether any insurer or any managing general agent claims the applicant is indebted under any agency contract or otherwise and, if so, the name of the claimant, the nature of the claim, and the applicant's defense thereto, if any.

(e) Proof that the applicant meets the requirements for the type of license for which he or she is applying.

(f) The applicant's gender (male or female).

(g) The applicant's native language.

(h) The highest level of education achieved by the applicant.

(i) The applicant's race or ethnicity (African American, white, American Indian, Asian, Hispanic, or other).

(j)(f) Such other or additional information as the department may deem proper to enable it to determine the character, experience, ability, and other qualifications of the applicant to hold himself or herself out to the public as an insurance representative.

However, the application must contain a statement that an applicant is not required to disclose his or her race or ethnicity, gender, or native language, that he or she will not be penalized for not doing so, and that the department will use this information exclusively for research and statistical purposes and to improve the quality and fairness of the examinations.

(4) An ~~applicant application~~ for a license as an agent, customer representative, adjuster, service representative, managing general agent, or reinsurance intermediary must ~~submit 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, to the department and must pay 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 by a law enforcement agency, designated examination center, or other department-approved entity. The department shall require all designated examination centers to have fingerprinting equipment and to take fingerprints from any applicant or prospective applicant who pays the applicable fee. The

department may not approve an application for licensure as an agent, customer service representative, adjuster, service representative, managing general agent, or reinsurance intermediary if fingerprints have not been submitted.

Section 2. Effective January 1, 2007, subsections (1) and (2) of section 626.211, Florida Statutes, are amended to read:

626.211 Approval, disapproval of application.—

(1) If upon the basis of a completed application for license and such further inquiry or investigation as the department may make concerning an applicant the department is satisfied that, subject to any examination required to be taken and passed by the applicant for a license, the applicant is qualified for the license applied for and that all pertinent fees have been paid, it shall approve the application. ~~The department shall not deny, delay, or withhold approval of an application due to the fact that it has not received a criminal history report based on the applicant's fingerprints.~~

(2) Upon approval of an applicant for license as agent, customer representative, or adjuster who is subject to written examination, the department shall notify the applicant when and where he or she may take the required examination unless the applicant has taken and passed the examination within the 1-year period prior to the date of filing the application.

Section 3. Paragraph (k) of subsection (2) of section 626.221, Florida Statutes, is amended to read:

626.221 Examination requirement; exemptions.—

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

(k) An applicant for license as an adjuster who has the designation of Accredited Claims Adjuster (ACA) from a regionally accredited postsecondary institution in this state, ~~or the designation of Professional Claims Adjuster (PCA) from the Professional Career Institute, Professional Property Insurance Adjuster (PPIA) from the HurriClaim Training Academy, or Certified Claims Adjuster (CCA) from the Association of Property and Casualty Claims Professionals~~ 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 all-lines adjuster license. The department shall adopt rules establishing standards for the approval of curriculum.

Section 4. Effective January 1, 2007, section 626.231, Florida Statutes, is amended to read:

626.231 Eligibility; application for examination.—

(1) No person shall be permitted to take an examination for license until his or her application for examination or application for the license has been

approved and the required fees have been received by the department or a person designated by the department to administer the examination.

(2) A person required to take an examination for a license may be permitted to take an examination prior to submitting an application for licensure pursuant to s. 626.171 by submitting an application for examination through the department's Internet website. In the application, the applicant shall set forth:

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

(b) The type of license that the applicant intends to apply for.

(c) The name of any required precicensing course he or she has completed or is in the process of completing.

(d) The method by which the applicant intends to qualify for the type of license if other than by completing a precicensing course.

(e) The applicant's gender (male or female).

(f) The applicant's native language.

(g) The highest level of education achieved by the applicant.

(h) The applicant's race or ethnicity (African American, white, American Indian, Asian, Hispanic, or other).

However, the application must contain a statement that an applicant is not required to disclose his or her race or ethnicity, gender, or native language, that he or she will not be penalized for not doing so, and that the department will use this information exclusively for research and statistical purposes and to improve the quality and fairness of the examinations.

(3) Each application shall be accompanied by payment of the applicable examination fee.

Section 5. Subsection (9) is added to section 626.241, Florida Statutes, to read:

626.241 Scope of examination.—

(9) This section applies to any person who submits an application for license and to any person who submits an application for examination prior to filing an application for license.

Section 6. Section 626.2415, Florida Statutes, is created to read:

626.2415 Annual report of results of life insurance examinations.—

(1) No later than May 1 of each year, the department or a person designated by the department shall prepare, publicly announce, and publish a report that summarizes statistical information relating to life insurance

agent examinations administered during the preceding calendar year. Each report shall include the following information, for all examinees combined and separately by race or ethnicity, gender, race or ethnicity within gender, education level, and native language:

- (a) The total number of examinees.
- (b) The percentage and number of examinees who passed the examination.
- (c) The mean scaled scores on the examination.
- (d) Standard deviation of scaled scores on the examination.

(2) No later than May 1 of each year, the department or a person designated by the department shall prepare and make available upon request a report of summary statistical information relating to each life insurance test form administered during the preceding calendar year. The report shall show, for each test form, for all examinees combined and separately for African-American examinees, white examinees, American Indian examinees, Asian examinees, Hispanic examinees, and other examinees, the correct-answer rates and correlations.

(3) The department may provide a testing service provider, under contract with the department, demographic information received by the department on applications relating to examinations taken to qualify for an insurance agent license if the department requires the provider to review and analyze examination results in conjunction with the race or ethnicity, gender, education level, and native language of examinees.

Section 7. Subsection (1) of section 626.251, Florida Statutes, is amended to read:

626.251 Time and place of examination; notice.—

(1) The department or a person designated by the department shall mail written notice of the time and place of the examination to each applicant for examination and each applicant for license required to take an examination who will be eligible to take the examination as of the examination date. The notice shall be so mailed, postage prepaid, and addressed to the applicant at his or her address shown on the application for license or at such other address as requested by the applicant in writing filed with the department prior to the mailing of the notice. Notice shall be deemed given when so mailed.

Section 8. Effective January 1, 2007, subsection (1) of section 626.261, Florida Statutes, is amended to read:

626.261 Conduct of examination.—

(1) The applicant for license or the applicant for examination shall appear in person and personally take the examination for license at the time and place specified by the department or by a person designated by the department.

Section 9. Subsection (1) of section 626.281, Florida Statutes, is amended to read:

626.281 Reexamination.—

(1) Any applicant for license or applicant for examination who has either:

(a) Taken an examination and failed to make a passing grade, or

(b) Failed to appear for the examination or to take or complete the examination at the time and place specified in the notice of the department,

may take additional examinations, after filing with the department an application for reexamination together with applicable fees. The failure of an applicant to pass an examination or the failure to appear for the examination or to take or complete the examination does not preclude the applicant from taking subsequent examinations.

Section 10. Effective January 1, 2007, subsections (1) and (3) of section 626.291, Florida Statutes, are amended to read:

626.291 Examination results; denial, issuance of license.—

(1) Within 30 days after the applicant has completed any examination required under s. 626.221, the department or its designee shall provide a score report; and, if it finds that the applicant has received a passing grade, the department shall within such period notify the applicant and issue and transmit the license to which such examination related. If it finds that the applicant did not make a passing grade on the examination for a particular license, the department or its designee shall within this period provide notice to the applicant to that effect and of its denial of the license. For those applicants who have completed the examination and received a passing grade prior to submitting the license application, the department shall promptly issue the license applied for as soon as the department approves the application.

(3) A passing grade on an examination is valid for a period of 1 year. The department shall not issue a license to an applicant based on an examination taken more than 1 year prior to the date that an application for license is filed. The department shall not deny, delay, or withhold issuance of a license due to the fact that it has not received a criminal history report based on the applicant's fingerprints.

Section 11. The sums of \$158,995 in recurring funds and \$120,069 in nonrecurring funds are appropriated from the Insurance Regulatory Trust Fund in the Department of Financial Services for the 2006-2007 fiscal year for the purposes of funding the provisions of this act, and three full-time equivalent positions with 103,285 in associated salary rate are authorized.

Section 12. Except as otherwise expressly provided in this act, this act shall take effect July 1, 2006.

Approved by the Governor June 12, 2006.

Filed in Office Secretary of State June 12, 2006.