

CHAPTER 2010-61

Council Substitute for Council Substitute for House Bill No. 885

An act relating to life insurance; amending s. 626.2815, F.S.; exempting certain life insurance agents from certain continuing education requirements under certain circumstances; providing an attestation requirement; creating s. 627.4605, F.S.; specifying nonapplication of a required notice to a current insurer of a policy replacement under certain circumstances; amending s. 627.464, F.S.; providing a limitation on the resale of certain annuities to third parties; amending s. 627.552, F.S.; prohibiting the creating or permitting of certain classes of employees for group health insurance policy purposes; preserving an employer's authority to require certain plan participation as a condition of employment; amending s. 627.5575, F.S.; revising the limitation on the amount of insurance for spouses of dependent children of employees of members under a group life insurance policy; providing an effective date.

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

Section 1. Paragraph (k) of subsection (3) of section 626.2815, Florida Statutes, is amended to read:

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

(3)

(k)1. Any person who holds a license to solicit or sell life insurance in this state must complete a minimum of 3 hours in continuing education, approved by the department, on the subject of suitability in annuity and life insurance transactions. A licensee may use the hours obtained under this subparagraph ~~paragraph~~ to satisfy the requirement for continuing education in ethics under paragraph (a).

2. An agent who has not sold individual life insurance policies or annuity contracts during the continuing education compliance cycle in question and does not have any active individual life insurance policies or annuity contracts is exempt from the requirements of subparagraph 1. In order to apply the exemption, the department may require the filing of a certification attesting that the agent has not sold individual life insurance policies or annuity contracts during the continuing education compliance cycle in question and does not have any active individual life insurance policies or annuity contracts.

Section 2. Section 627.4605, Florida Statutes, is created to read:

627.4605 Replacement notice.—A notice to a current insurer of a replacement of a current life insurance policy is not required in a transaction involving:

(1) An application to the current insurer that issued the current policy or contract when a contractual change or conversion privilege is being exercised;

(2) A current policy or contract is being replaced by the same insurer pursuant to a program filed with and approved by the office; or

(3) A term conversion privilege is being exercised among corporate affiliates.

Section 3. Subsection (2) of section 627.464, Florida Statutes, is renumbered as subsection (3), and a new subsection (2) is added to that section to read:

627.464 Annuity contracts, pure endowment contracts; standard provisions.—

(2) An annuity purchased, dedicated, or otherwise allocated as part of a settlement to satisfy the requirements of 42 U.S.C. s. 1395y(b)(2) may not be sold to, or commuted by or for, a third party unconnected to the settlement.

Section 4. Paragraph (a) of subsection (1) of section 627.552, Florida Statutes, is amended to read:

627.552 Employee groups.—Subject to all of the requirements of this section, the lives of a group of individual employees of an employer may be insured, for the benefit of persons other than the employer, under a policy issued to the employer or to the trustees of a fund established by an employer, which employer or board of trustees is deemed to be the policyholder.

(1)(a) The employees eligible for insurance under the policy shall be all of the employees of the employer, or all of any class or classes of employees determined by conditions pertaining to their employment; however, a class of employees may not be created or permitted that consists solely of employees covered under the employer's group health plan. This section does not prohibit an employer from requiring participation in its group health plan as a condition of employment.

This section does not affect the provisions of ss. 112.08-112.14.

Section 5. Subsection (3) of section 627.5575, Florida Statutes, is amended to read:

627.5575 Group life insurance for dependents.—Except for a policy issued under s. 627.553, a group life insurance policy may be extended to insure the employees or members against loss due to the deaths of their

spouses and dependent children or any class or classes thereof, subject to the following:

(3) The amounts of insurance for any covered spouse or dependent child under the policy may not exceed ~~50 percent of~~ the amount of insurance for which the employee or member is insured.

Section 6. This act shall take effect upon becoming a law.

Approved by the Governor May 11, 2010.

Filed in Office Secretary of State May 11, 2010.