

CHAPTER 2016-132

Committee Substitute for Committee Substitute for Committee Substitute for House Bill No. 651

An act relating to the Department of Financial Services; amending s. 48.151, F.S.; authorizing the department to create an Internet-based transmission system to accept service of process; amending s. 110.1315, F.S.; removing a requirement that the Executive Office of the Governor review and approve a certain alternative retirement income security program provided by the department; amending s. 112.215, F.S.; authorizing the Chief Financial Officer, with the approval of the State Board of Administration, to include specified employees other than state employees in a deferred compensation plan; conforming a provision to a change made by the act; amending s. 137.09, F.S.; removing a requirement that the department approve certain bonds of county officers; amending s. 215.555, F.S.; extending the repeal date of an exemption for medical malpractice insurance premiums from certain emergency assessments levied by the Office of Insurance Regulation for the Florida Hurricane Catastrophe Fund; revising applicability; amending s. 215.97, F.S.; revising and providing definitions; increasing the amount of a certain audit threshold; revising applicability to remove for-profit organizations; exempting specified higher education entities from certain audit requirements; revising the requirements for state-funded contracts or agreements between a state awarding agency and a higher education entity; providing an exception; providing applicability; conforming provisions to changes made by the act; amending s. 322.142, F.S.; authorizing the Department of Highway Safety and Motor Vehicles to provide certain driver license images to the department for the purpose of investigating allegations of violations of the insurance code; amending s. 374.983, F.S.; naming the Board of Commissioners of the Florida Inland Navigation District, rather than the Chief Financial Officer, as the entity that receives and approves certain surety bonds of commissioners; amending s. 509.211, F.S.; revising certain standards for carbon monoxide detector devices in specified spaces or rooms of public lodging establishments; providing that the local fire official, or his or her designee, rather than the State Fire Marshal, may exempt a device from such standards; providing an alternative installation method for such devices; amending s. 624.307, F.S.; conforming provisions to changes made by the act; specifying requirements for the Chief Financial Officer in providing notice of electronic transmission of process documents; amending s. 624.423, F.S.; authorizing service of process by specified means; reenacting and amending s. 624.502, F.S.; providing that a party requesting service of process shall pay a specified fee to the department or Office of Insurance Regulation for such service; amending s. 626.854, F.S.; revising applicability of the definition of the term “public adjuster”; amending s. 626.907, F.S.; requiring a service of process fee for certain service of process made by the Chief Financial Officer; revising methods by which copies of the service of process may be provided to a defendant; specifying the

determination of a defendant's last known principal place of business; amending s. 626.921, F.S.; revising membership requirements of the Florida Surplus Lines Service Office board of governors; amending s. 626.931, F.S.; limiting a requirement for the quarterly filing of a certain affidavit with the Florida Surplus Lines Service Office to specified surplus lines agents; amending s. 626.9892, F.S.; revising criteria for the Anti-Fraud Reward Program; amending s. 627.7074, F.S.; providing an additional ground for disqualifying a neutral evaluator for disputed sinkhole insurance claims; amending s. 633.102, F.S.; redefining the term "fire service provider"; creating s. 633.107, F.S.; authorizing the department to grant exemptions from disqualification for licensure or certification by the Division of State Fire Marshal under certain circumstances; specifying the information an applicant must provide; providing the manner in which the department must render its decision to grant or deny an exemption; providing procedures for an applicant to contest the decision; providing an exception from certain requirements; authorizing the division to adopt rules; creating s. 633.135, F.S.; establishing the Firefighter Assistance Program for certain purposes; requiring the division to administer the program and annually award grants to qualifying fire departments; defining the term "combination fire department"; providing eligibility requirements; requiring the State Fire Marshal to adopt rules and procedures; providing program requirements; amending s. 633.208, F.S.; revising applicability of the Life Safety Code to exclude one-family and two-family dwellings, rather than only such dwellings that are newly constructed; amending s. 633.408, F.S.; revising firefighter and volunteer firefighter certification requirements; specifying the duration of certain firefighter certifications; amending s. 633.412, F.S.; deleting a requirement that the division suspend or revoke all issued certificates if an individual's certificate is suspended or revoked; amending s. 633.414, F.S.; conforming provisions to changes made by the act; revising alternative requirements for renewing specified certifications; providing grounds for denial of, or disciplinary action against, certifications for a firefighter or volunteer firefighter; amending s. 633.426, F.S.; revising a definition; providing a date after which an individual is subject to revocation of certification under specified circumstances; amending s. 717.138, F.S.; providing applicability of the department's rulemaking authority relating to the disposition of unclaimed property; amending s. 627.062, F.S.; adding specified travel insurance to a list of insurance and risks to which certain rate filing requirements do not apply; amending s. 627.0645, F.S.; adding specified travel insurance to a list of insurance exempted from a certain annual base rate filing requirement; providing an appropriation and authorizing a position; providing an effective date.

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

Section 1. Subsection (3) of section 48.151, Florida Statutes, is amended to read:

48.151 Service on statutory agents for certain persons.—

(3) The Chief Financial Officer or his or her assistant or deputy or another person in charge of the office is the agent for service of process on all insurers applying for authority to transact insurance in this state, all licensed nonresident insurance agents, all nonresident disability insurance agents licensed pursuant to s. 626.835, any unauthorized insurer under s. 626.906 or s. 626.937, domestic reciprocal insurers, fraternal benefit societies under chapter 632, warranty associations under chapter 634, prepaid limited health service organizations under chapter 636, and persons required to file statements under s. 628.461. As an alternative to service of process made by mail or personal service on the Chief Financial Officer, on his or her assistant or deputy, or on another person in charge of the office, the Department of Financial Services may create an Internet-based transmission system to accept service of process by electronic transmission of documents.

Section 2. Subsection (1) of section 110.1315, Florida Statutes, is amended to read:

110.1315 Alternative retirement benefits; other-personal-services employees.—

~~(1) Upon review and approval by the Executive Office of the Governor,~~ The Department of Financial Services shall provide an alternative retirement income security program for eligible temporary and seasonal employees of the state who are compensated from appropriations for other personal services. The Department of Financial Services may contract with a private vendor or vendors to administer the program under a defined-contribution plan under ss. 401(a) and 403(b) or s. 457 of the Internal Revenue Code, and the program must provide retirement benefits as required under s. 3121(b)(7)(F) of the Internal Revenue Code. The Department of Financial Services may develop a request for proposals and solicit qualified vendors to compete for the award of the contract. A vendor shall be selected on the basis of the plan that best serves the interest of the participating employees and the state. The proposal must comply with all necessary federal and state laws and rules.

Section 3. Paragraph (a) of subsection (4) and subsection (12) of section 112.215, Florida Statutes, are amended to read:

112.215 Government employees; deferred compensation program.—

(4)(a) The Chief Financial Officer, with the approval of the State Board of Administration, shall establish such plan or plans of deferred compensation for state employees and may include persons employed by a state university as defined in s. 1000.21, a special district as defined in s. 189.012, or a water management district as defined in s. 189.012, including all such investment vehicles or products incident thereto, as may be available through, or offered by, qualified companies or persons, and may approve one or more such plans for implementation by and on behalf of the state and its agencies and employees.

(12) The Chief Financial Officer may adopt any rule necessary to administer and implement this act with respect to deferred compensation plans for state employees and persons employed by a state university as defined in s. 1000.21, a special district as defined in s. 189.012, or a water management district as defined in s. 189.012.

Section 4. Section 137.09, Florida Statutes, is amended to read:

137.09 Justification and approval of bonds.—Each surety upon every bond of any county officer shall make affidavit that he or she is a resident of the county for which the officer is to be commissioned, and that he or she has sufficient visible property therein unencumbered and not exempt from sale under legal process to make good his or her bond. Every such bond shall be approved by the board of county commissioners ~~and by the Department of Financial Services when the board is they and it are satisfied in its their~~ judgment that the bond same is legal, sufficient, and proper to be approved.

Section 5. Paragraph (b) of subsection (6) of section 215.555, Florida Statutes, is amended to read:

215.555 Florida Hurricane Catastrophe Fund.—

(6) REVENUE BONDS.—

(b) *Emergency assessments.*—

1. If the board determines that the amount of revenue produced under subsection (5) is insufficient to fund the obligations, costs, and expenses of the fund and the corporation, including repayment of revenue bonds and that portion of the debt service coverage not met by reimbursement premiums, the board shall direct the Office of Insurance Regulation to levy, by order, an emergency assessment on direct premiums for all property and casualty lines of business in this state, including property and casualty business of surplus lines insurers regulated under part VIII of chapter 626, but not including any workers' compensation premiums or medical malpractice premiums. As used in this subsection, the term "property and casualty business" includes all lines of business identified on Form 2, Exhibit of Premiums and Losses, in the annual statement required of authorized insurers by s. 624.424 and any rule adopted under this section, except for those lines identified as accident and health insurance and except for policies written under the National Flood Insurance Program. The assessment shall be specified as a percentage of direct written premium and is subject to annual adjustments by the board in order to meet debt obligations. The same percentage applies to all policies in lines of business subject to the assessment issued or renewed during the 12-month period beginning on the effective date of the assessment.

2. A premium is not subject to an annual assessment under this paragraph in excess of 6 percent of premium with respect to obligations arising out of losses attributable to any one contract year, and a premium is

not subject to an aggregate annual assessment under this paragraph in excess of 10 percent of premium. An annual assessment under this paragraph continues as long as the revenue bonds issued with respect to which the assessment was imposed are outstanding, including any bonds the proceeds of which were used to refund the revenue bonds, unless adequate provision has been made for the payment of the bonds under the documents authorizing issuance of the bonds.

3. Emergency assessments shall be collected from policyholders. Emergency assessments shall be remitted by insurers as a percentage of direct written premium for the preceding calendar quarter as specified in the order from the Office of Insurance Regulation. The office shall verify the accurate and timely collection and remittance of emergency assessments and shall report the information to the board in a form and at a time specified by the board. Each insurer collecting assessments shall provide the information with respect to premiums and collections as may be required by the office to enable the office to monitor and verify compliance with this paragraph.

4. With respect to assessments of surplus lines premiums, each surplus lines agent shall collect the assessment at the same time as the agent collects the surplus lines tax required by s. 626.932, and the surplus lines agent shall remit the assessment to the Florida Surplus Lines Service Office created by s. 626.921 at the same time as the agent remits the surplus lines tax to the Florida Surplus Lines Service Office. The emergency assessment on each insured procuring coverage and filing under s. 626.938 shall be remitted by the insured to the Florida Surplus Lines Service Office at the time the insured pays the surplus lines tax to the Florida Surplus Lines Service Office. The Florida Surplus Lines Service Office shall remit the collected assessments to the fund or corporation as provided in the order levied by the Office of Insurance Regulation. The Florida Surplus Lines Service Office shall verify the proper application of such emergency assessments and shall assist the board in ensuring the accurate and timely collection and remittance of assessments as required by the board. The Florida Surplus Lines Service Office shall annually calculate the aggregate written premium on property and casualty business, other than workers' compensation and medical malpractice, procured through surplus lines agents and insureds procuring coverage and filing under s. 626.938 and shall report the information to the board in a form and at a time specified by the board.

5. Any assessment authority not used for a particular contract year may be used for a subsequent contract year. If, for a subsequent contract year, the board determines that the amount of revenue produced under subsection (5) is insufficient to fund the obligations, costs, and expenses of the fund and the corporation, including repayment of revenue bonds and that portion of the debt service coverage not met by reimbursement premiums, the board shall direct the Office of Insurance Regulation to levy an emergency assessment up to an amount not exceeding the amount of unused assessment authority from a previous contract year or years, plus an additional 4 percent provided that the assessments in the aggregate do not exceed the limits specified in subparagraph 2.

6. The assessments otherwise payable to the corporation under this paragraph shall be paid to the fund unless the Office of Insurance Regulation and the Florida Surplus Lines Service Office received a notice from the corporation and the fund, which shall be conclusive and upon which they may rely without further inquiry, that the corporation has issued bonds and the fund has no agreements in effect with local governments under paragraph (c). On or after the date of the notice and until the date the corporation has no bonds outstanding, the fund shall have no right, title, or interest in or to the assessments, except as provided in the fund's agreement with the corporation.

7. Emergency assessments are not premium and are not subject to the premium tax, to the surplus lines tax, to any fees, or to any commissions. An insurer is liable for all assessments that it collects and must treat the failure of an insured to pay an assessment as a failure to pay the premium. An insurer is not liable for uncollectible assessments.

8. If an insurer is required to return an unearned premium, it shall also return any collected assessment attributable to the unearned premium. A credit adjustment to the collected assessment may be made by the insurer with regard to future remittances that are payable to the fund or corporation, but the insurer is not entitled to a refund.

9. If a surplus lines insured or an insured who has procured coverage and filed under s. 626.938 is entitled to the return of an unearned premium, the Florida Surplus Lines Service Office shall provide a credit or refund to the agent or such insured for the collected assessment attributable to the unearned premium before remitting the emergency assessment collected to the fund or corporation.

10. The exemption of medical malpractice insurance premiums from emergency assessments under this paragraph is repealed May 31, 2019 ~~2016~~, and medical malpractice insurance premiums shall be subject to emergency assessments attributable to loss events occurring in the contract years commencing on June 1, 2019 ~~2016~~.

Section 6. Paragraphs (h) through (y) of subsection (2) of section 215.97, Florida Statutes, are redesignated as paragraphs (i) through (z), respectively, a new paragraph (h) is added to that subsection, present paragraphs (a), (m), and (v) of that subsection and paragraph (o) of subsection (8) are amended, subsections (9), (10), and (11) are renumbered as subsections (10), (11), and (12), respectively, and a new subsection (9) is added to that section, to read:

215.97 Florida Single Audit Act.—

(2) **Definitions;** As used in this section, the term:

(a) "Audit threshold" means the threshold amount used to determine when a state single audit or project-specific audit of a nonstate entity shall

be conducted in accordance with this section. Each nonstate entity that expends a total amount of state financial assistance equal to or in excess of \$750,000 ~~\$500,000~~ in any fiscal year of such nonstate entity shall be required to have a state single audit, or a project-specific audit, for such fiscal year in accordance with the requirements of this section. Every 2 years the Auditor General, after consulting with the Executive Office of the Governor, the Department of Financial Services, and all state awarding agencies, shall review the threshold amount for requiring audits under this section and may adjust such threshold amount consistent with the purposes of this section.

(h) “Higher education entity” means a Florida College System institution or a state university, as those terms are defined in s. 1000.21.

(n)(m) “Nonstate entity” means a local governmental entity, higher education entity, nonprofit organization, or for-profit organization that receives state financial assistance.

(w)(v) “State project-specific audit” means an audit of one state project performed in accordance with the requirements of subsection (11) (10).

(8) Each recipient or subrecipient of state financial assistance shall comply with the following:

(o) A higher education entity is exempt from the requirements of paragraph (2)(a) and this subsection ~~A contract involving the State University System or the Florida College System funded by state financial assistance may be in the form of:~~

~~1. A fixed-price contract that entitles the provider to receive full compensation for the fixed contract amount upon completion of all contract deliverables;~~

~~2. A fixed-rate-per-unit contract that entitles the provider to receive compensation for each contract deliverable provided;~~

~~3. A cost-reimbursable contract that entitles the provider to receive compensation for actual allowable costs incurred in performing contract deliverables; or~~

~~4. A combination of the contract forms described in subparagraphs 1., 2., and 3.~~

(9) This subsection applies to any contract or agreement between a state awarding agency and a higher education entity that is funded by state financial assistance.

(a) The contract or agreement must comply with ss. 215.971(1) and 216.3475 and must be in the form of one or a combination of the following:

1. A fixed-price contract that entitles the provider to receive compensation for the fixed contract amount upon completion of all contract deliverables.

2. A fixed-rate-per-unit contract that entitles the provider to receive compensation for each contract deliverable provided.

3. A cost-reimbursable contract that entitles the provider to receive compensation for actual allowable costs incurred in performing contract deliverables.

(b) If a higher education entity has extremely limited or no required activities related to the administration of a state project and acts only as a conduit of state financial assistance, none of the requirements of this section apply to the conduit higher education entity. However, the subrecipient that is provided state financial assistance by the conduit higher education entity is subject to the requirements of subsection (8) and this subsection.

(c) Regardless of the amount of the state financial assistance, this subsection does not exempt a higher education entity from compliance with provisions of law that relate to maintaining records concerning state financial assistance to the higher education entity or that allow access and examination of those records by the state awarding agency, the higher education entity, the Department of Financial Services, or the Auditor General.

(d) This subsection does not prohibit the state awarding agency from including terms and conditions in the contract or agreement which require additional assurances that the state financial assistance meets the applicable requirements of laws, regulations, and other compliance rules.

Section 7. Paragraph (j) of subsection (4) of section 322.142, Florida Statutes, is amended to read:

322.142 Color photographic or digital imaged licenses.—

(4) The department may maintain a film negative or print file. The department shall maintain a record of the digital image and signature of the licensees, together with other data required by the department for identification and retrieval. Reproductions from the file or digital record are exempt from the provisions of s. 119.07(1) and may be made and issued only:

(j) To the Department of Financial Services pursuant to an interagency agreement to facilitate the location of owners of unclaimed property, the validation of unclaimed property claims, and the identification of fraudulent or false claims, and the investigation of allegations of violations of the insurance code by licensees and unlicensed persons;

Section 8. Subsection (2) of section 374.983, Florida Statutes, is amended to read:

374.983 Governing body.—

(2) The present board of commissioners of the district shall continue to hold office until their respective terms shall expire. Thereafter the members of the board shall continue to be appointed by the Governor for a term of 4 years and until their successors shall be duly appointed. Specifically, commencing on January 10, 1997, the Governor shall appoint the commissioners from Broward, Indian River, Martin, St. Johns, and Volusia Counties and on January 10, 1999, the Governor shall appoint the commissioners from Brevard, Miami-Dade, Duval, Flagler, Palm Beach, and St. Lucie Counties. The Governor shall appoint the commissioner from Nassau County for an initial term that coincides with the period remaining in the current terms of the commissioners from Broward, Indian River, Martin, St. Johns, and Volusia Counties. Thereafter, the commissioner from Nassau County shall be appointed to a 4-year term. Each new appointee must be confirmed by the Senate. Whenever a vacancy occurs among the commissioners, the person appointed to fill such vacancy shall hold office for the unexpired portion of the term of the commissioner whose place he or she is selected to fill. Each commissioner under this act before he or she assumes office shall be required to give a good and sufficient surety bond in the sum of \$10,000 payable to the Governor and his or her successors in office, conditioned upon the faithful performance of the duties of his or her office, such bond to be approved by and filed with the board of commissioners of the district ~~Chief Financial Officer~~. Any and all premiums upon such surety bonds shall be paid by the board of commissioners of such district as a necessary expense of the district.

Section 9. Subsection (4) of section 509.211, Florida Statutes, is amended to read:

509.211 Safety regulations.—

(4) Every enclosed space or room that contains a boiler regulated under chapter 554 which is fired by the direct application of energy from the combustion of fuels and that is located in any portion of a public lodging establishment that also contains sleeping rooms shall be equipped with one or more carbon monoxide detector sensor devices that are listed as complying with the American National Standards Institute/Underwriters Laboratories, Inc., "Standard for Gas and Vapor Detectors and Sensors," ANSI/UL 2075, by a nationally recognized testing laboratory accredited by the Occupational Safety and Health Administration ~~bear the label of a nationally recognized testing laboratory and have been tested and listed as complying with the most recent Underwriters Laboratories, Inc., Standard 2034, or its equivalent, unless it is determined that carbon monoxide hazards have otherwise been adequately mitigated as determined by the local fire official or his or her designee~~ Division of State Fire Marshal of the Department of Financial Services. Such devices shall be integrated with the public lodging establishment's fire detection system. Any such installation ~~or determination~~ shall be made in accordance with rules adopted by the Division of State Fire Marshal. In lieu of connecting the carbon monoxide

detector device to the fire detection system as described in this subsection, the device may be connected to a control unit that is listed as complying with the Underwriters Laboratories, Inc., “Standard for General-Purpose Signaling Devices and Systems,” UL 2017, or a combination system that is listed as complying with the National Fire Protection Association “Standard for the Installation of Carbon Monoxide (CO) Detection and Warning Equipment,” NFPA 720. The control unit or combination system must be connected to the boiler safety circuit in such a manner that the boiler is prevented from operating when carbon monoxide is detected until it is reset manually.

Section 10. Subsection (9) of section 624.307, Florida Statutes, is amended to read:

624.307 General powers; duties.—

(9) Upon receiving service of legal process issued in any civil action or proceeding in this state against any regulated person or any unauthorized insurer under s. 626.906 or s. 626.937 which is required to appoint the Chief Financial Officer as its attorney to receive service of all legal process, the Chief Financial Officer, as attorney, may, in lieu of sending the process by registered or certified mail, send the process or make it available by any other verifiable means, including, but not limited to, making the documents available by electronic transmission from a secure website established by the department to the person last designated by the regulated person or the unauthorized insurer to receive the process. When process documents are made available electronically, the Chief Financial Officer shall send a notice of receipt of service of process to the person last designated by the regulated person or unauthorized insurer to receive legal process. The notice must state the date and manner in which the copy of the process was made available to the regulated person or unauthorized insurer being served and contain the uniform resource locator (URL) for a hyperlink to access files and information on the department’s website to obtain a copy of the process.

Section 11. Section 624.423, Florida Statutes, is amended to read:

624.423 Serving process.—

(1) Service of process upon the Chief Financial Officer as process agent of the insurer (under s. 624.422 and s. 626.937) shall be made by serving a copy of the process upon the Chief Financial Officer or upon her or his assistant, deputy, or other person in charge of her or his office. Service may also be made by mail or electronically as provided in s. 48.151. Upon receiving such service, the Chief Financial Officer shall retain a record copy and promptly forward one copy of the process by registered or certified mail or by other verifiable means, as provided under s. 624.307(9), to the person last designated by the insurer to receive the same, as provided under s. 624.422(2). For purposes of this section, records may be retained as paper or electronic copies.

(2) ~~If~~ Where process is served upon the Chief Financial Officer as an insurer's process agent, the insurer ~~is shall~~ not be required to answer or plead except within 20 days after the date upon which the Chief Financial Officer sends or makes available by other verifiable means mailed a copy of the process served upon her or him as required by subsection (1).

(3) Process served upon the Chief Financial Officer and sent or made available in accordance with this section and s. 624.307(9) copy thereof forwarded as in this section provided shall for all purposes constitute valid and binding service thereof upon the insurer.

Section 12. Notwithstanding the expiration date in section 41 of chapter 2015-222, Laws of Florida, section 624.502, Florida Statutes, as amended by chapter 2013-41, Laws of Florida, is reenacted and amended to read:

624.502 Service of process fee.—In all instances as provided in any section of the insurance code and s. 48.151(3) in which service of process is authorized to be made upon the Chief Financial Officer or the director of the office, the party requesting service plaintiff shall pay to the department or office a fee of \$15 for such service of process on an authorized or unauthorized insurer, which fee shall be deposited into the Administrative Trust Fund.

Section 13. Subsection (2) of section 626.854, Florida Statutes, is amended to read:

626.854 "Public adjuster" defined; prohibitions.—The Legislature finds that it is necessary for the protection of the public to regulate public insurance adjusters and to prevent the unauthorized practice of law.

(2) This definition does not apply to:

(a) A licensed health care provider or employee thereof who prepares or files a health insurance claim form on behalf of a patient.

(b) A licensed health insurance agent who assists an insured with coverage questions, medical procedure coding issues, balance billing issues, understanding the claims filing process, or filing a claim, as such assistance relates to coverage under a health insurance policy.

~~(c)(b)~~ A person who files a health claim on behalf of another and does so without compensation.

Section 14. Subsection (1) of section 626.907, Florida Statutes, is amended to read:

626.907 Service of process; judgment by default.—

(1) Service of process upon an insurer or person representing or aiding such insurer pursuant to s. 626.906 shall be made by delivering to and leaving with the Chief Financial Officer, his or her assistant or deputy, or

~~another person in charge of the~~ ~~or some person in apparent charge of his or her office~~ two copies thereof ~~and the service of process fee as required in s. 624.502.~~ The Chief Financial Officer shall forthwith mail by registered mail, commercial carrier, or any verifiable means one of the copies of such process to the defendant at the defendant's last known principal place of business as provided by the party submitting the documents and shall keep a record of all process so served upon him or her. The service of process is sufficient, provided notice of such service and a copy of the process are sent within 10 days thereafter by registered mail by plaintiff or plaintiff's attorney to the defendant at the defendant's last known principal place of business, and the defendant's receipt, or receipt issued by the post office with which the letter is registered, showing the name of the sender of the letter and the name and address of the person to whom the letter is addressed, and the affidavit of the plaintiff or plaintiff's attorney showing a compliance herewith are filed with the clerk of the court in which the action is pending on or before the date the defendant is required to appear, or within such further time as the court may allow.

Section 15. Paragraph (a) of subsection (4) of section 626.921, Florida Statutes, is amended to read:

626.921 Florida Surplus Lines Service Office.—

(4) The association shall operate under the supervision of a board of governors consisting of:

(a) Five individuals nominated by the Florida Surplus Lines Association and appointed by the department from the regular membership of the Florida Surplus Lines Association.

Each board member shall be appointed to serve beginning on the date designated by the plan of operation and shall serve at the pleasure of the department for a 3-year term, such term initially to be staggered by the plan of operation so that three appointments expire in 1 year, three appointments expire in 2 years, and three appointments expire in 3 years. Members may be reappointed for subsequent terms. The board of governors shall elect such officers as may be provided in the plan of operation.

Section 16. Subsection (1) of section 626.931, Florida Statutes, is amended to read:

626.931 Agent affidavit and insurer reporting requirements.—

(1) Each surplus lines agent that has transacted business during a calendar quarter shall on or before the 45th day following the each calendar quarter file with the Florida Surplus Lines Service Office an affidavit, on forms as prescribed and furnished by the Florida Surplus Lines Service Office, stating that all surplus lines insurance transacted by him or her during such calendar quarter has been submitted to the Florida Surplus Lines Service Office as required.

Section 17. Subsection (2) of section 626.9892, Florida Statutes, is amended to read:

626.9892 Anti-Fraud Reward Program; reporting of insurance fraud.—

(2) The department may pay rewards of up to \$25,000 to persons providing information leading to the arrest and conviction of persons committing crimes investigated by the department ~~Division of Insurance Fraud~~ arising from violations of s. 440.105, s. 624.15, s. 626.9541, s. 626.989, s. 790.164, s. 790.165, s. 790.166, s. 806.031, s. 806.10, s. 806.111, s. 817.233, or s. 817.234.

Section 18. Paragraph (a) of subsection (7) of section 627.7074, Florida Statutes, is amended to read:

627.7074 Alternative procedure for resolution of disputed sinkhole insurance claims.—

(7) Upon receipt of a request for neutral evaluation, the department shall provide the parties a list of certified neutral evaluators. The department shall allow the parties to submit requests to disqualify evaluators on the list for cause.

(a) The department shall disqualify neutral evaluators for cause based only on any of the following grounds:

1. A familial relationship within the third degree exists between the neutral evaluator and either party or a representative of either party.

2. The proposed neutral evaluator has, in a professional capacity, previously represented either party or a representative of either party in the same or a substantially related matter.

3. The proposed neutral evaluator has, in a professional capacity, represented another person in the same or a substantially related matter and that person’s interests are materially adverse to the interests of the parties. The term “substantially related matter” means participation by the neutral evaluator on the same claim, property, or adjacent property.

4. The proposed neutral evaluator has, within the preceding 5 years, worked as an employer or employee of any party to the case.

5. The proposed neutral evaluator has, within the preceding 5 years, worked for any entity that performed any sinkhole loss testing, review, or analysis for the property.

Section 19. Subsection (13) of section 633.102, Florida Statutes, is amended to read:

633.102 Definitions.—As used in this chapter, the term:

(13) “Fire service provider” means a municipality or county, the state, the division, or any political subdivision of the state, including authorities and special districts, that employs employing firefighters or uses utilizing volunteer firefighters to provide fire extinguishment or fire prevention services for the protection of life and property. The term includes any organization under contract or other agreement with such entity to provide such services.

Section 20. Section 633.107, Florida Statutes, is created to read:

633.107 Exemption from disqualification from licensure or certification.

(1) The department may grant an exemption from disqualification to any person disqualified from licensure or certification by the Division of State Fire Marshal under this chapter because of a criminal record or dishonorable discharge from the United States Armed Forces if the applicant has paid in full any fee, fine, fund, lien, civil judgment, restitution, cost of prosecution, or trust contribution imposed by the court as part of the judgment and sentence for any disqualifying offense and:

(a) At least 5 years have elapsed since the applicant completed or has been lawfully released from confinement, supervision, or nonmonetary condition imposed by the court for a disqualifying offense; or

(b) At least 5 years have elapsed since the applicant was dishonorably discharged from the United States Armed Forces.

(2) For the department to grant an exemption, the applicant must clearly and convincingly demonstrate that he or she would not pose a risk to persons or property if permitted to be licensed or certified under this chapter, evidence of which must include, but need not be limited to, facts and circumstances surrounding the disqualifying offense, the time that has elapsed since the offense, the nature of the offense and harm caused to the victim, the applicant’s history before and after the offense, and any other evidence or circumstances indicating that the applicant will not present a danger if permitted to be licensed or certified.

(3) The department has discretion whether to grant or deny an exemption. The department shall provide its decision in writing which, if the exemption is denied, must state with particularity the reasons for denial. The department’s decision is subject to proceedings under chapter 120, except that a formal proceeding under s. 120.57(1) is available only if there are disputed issues of material fact that the department relied upon in reaching its decision.

(4) An applicant may request an exemption, notwithstanding the time limitations of paragraphs (1)(a) and (b), if by executive clemency his or her civil rights are restored, or he or she receives a pardon, from the disqualifying offense. The fact that the applicant receives executive

clemency does not alleviate his or her obligation to comply with subsection (2) or in itself require the department to award the exemption.

(5) The division may adopt rules to administer this section.

Section 21. Section 633.135, Florida Statutes, is created to read:

633.135 Firefighter Assistance Grant Program.—

(1) The Firefighter Assistance Grant Program is created within the division to improve the emergency response capability of volunteer fire departments and combination fire departments. The program shall provide financial assistance to improve firefighter safety and enable such fire departments to provide firefighting, emergency medical, and rescue services to their communities. For purposes of this section, the term “combination fire department” means a fire department composed of a combination of career and volunteer firefighters.

(2) The division shall administer the program and annually award grants to volunteer fire departments and combination fire departments using the annual Florida Fire Service Needs Assessment Survey. The purpose of the grants is to assist such fire departments in providing volunteer firefighter training and procuring necessary firefighter personal protective equipment, self-contained breathing apparatus equipment, and fire engine pumper apparatus equipment. However, the division shall prioritize the annual award of grants to combination fire departments and volunteer fire departments demonstrating need as a result of participating in the annual Florida Fire Service Needs Assessment Survey.

(3) The State Fire Marshal shall adopt rules and procedures for the program that require grant recipients to:

(a) Report their activity to the division for submission in the Fire and Emergency Incident Information Reporting System created pursuant to s. 633.136;

(b) Annually complete and submit the Florida Fire Service Needs Assessment Survey to the division;

(c) Comply with the Florida Firefighters Occupational Safety and Health Act, ss. 633.502-633.536;

(d) Comply with any other rule determined by the State Fire Marshal to effectively and efficiently implement, administer, and manage the program; and

(e) Meet the definition of the term “fire service provider” in s. 633.102.

(4) Funds shall be used to:

(a) Provide firefighter training to individuals to obtain a Volunteer Firefighter Certificate of Completion pursuant to s. 633.408. Training must be provided at no cost to the fire department or student by a division-approved instructor and must be documented in the division's electronic database.

(b) Purchase firefighter personal protective equipment, including structural firefighting protective ensembles and individual ensemble elements such as garments, helmets, gloves, and footwear, that complies with NFPA No. 1851, "Standard on Selection, Care, and Maintenance of Protective Ensembles for Structural Fire Fighting and Proximity Fire Fighting," by the National Fire Protection Association.

(c) Purchase self-contained breathing apparatus equipment that complies with NFPA No. 1852, "Standard on Selection, Care, and Maintenance of Open-Circuit Self-Contained Breathing Apparatus."

(d) Purchase fire engine pumper apparatus equipment. Funds provided under this paragraph may be used to purchase the equipment or subsidize a federal grant from the Federal Emergency Management Agency to purchase the equipment.

Section 22. Subsection (8) of section 633.208, Florida Statutes, is amended to read:

633.208 Minimum firesafety standards.—

(8) The provisions of the Life Safety Code, as contained in the Florida Fire Prevention Code, do not apply to ~~newly constructed~~ one-family and two-family dwellings. However, fire sprinkler protection may be permitted by local government in lieu of other fire protection-related development requirements for such structures. While local governments may adopt fire sprinkler requirements for one- and two-family dwellings under this subsection, it is the intent of the Legislature that the economic consequences of the fire sprinkler mandate on home owners be studied before the enactment of such a requirement. After the effective date of this act, any local government that desires to adopt a fire sprinkler requirement on one- or two-family dwellings must prepare an economic cost and benefit report that analyzes the application of fire sprinklers to one- or two-family dwellings or any proposed residential subdivision. The report must consider the tradeoffs and specific cost savings and benefits of fire sprinklers for future owners of property. The report must include an assessment of the cost savings from any reduced or eliminated impact fees if applicable, the reduction in special fire district tax, insurance fees, and other taxes or fees imposed, and the waiver of certain infrastructure requirements including the reduction of roadway widths, the reduction of water line sizes, increased fire hydrant spacing, increased dead-end roadway length, and a reduction in cul-de-sac sizes relative to the costs from fire sprinkling. A failure to prepare an economic report shall result in the invalidation of the fire sprinkler requirement to any one- or two-family dwelling or any proposed subdivision.

In addition, a local jurisdiction or utility may not charge any additional fee, above what is charged to a non-fire sprinklered dwelling, on the basis that a one- or two-family dwelling unit is protected by a fire sprinkler system.

Section 23. Paragraph (b) of subsection (4) and subsection (8) of section 633.408, Florida Statutes, are amended, and subsection (9) is added to that section, to read:

633.408 Firefighter and volunteer firefighter training and certification.

(4) The division shall issue a firefighter certificate of compliance to an individual who does all of the following:

(b) Passes the Minimum Standards Course examination within 12 months after completing the required courses.

(8)(a) Pursuant to s. 590.02(1)(e), the division shall establish a structural fire training program of not less than 206 hours. The division shall issue to a person satisfactorily complying with this training program and who has successfully passed an examination as prescribed by the division and who has met the requirements of s. 590.02(1)(e), a Forestry Certificate of Compliance.

(b) An individual who holds a current and valid Forestry Certificate of Compliance is entitled to the same rights, privileges, and benefits provided for by law as a firefighter.

(9) A Firefighter Certificate of Compliance or a Volunteer Firefighter Certificate of Completion issued under this section expires 4 years after the date of issuance unless renewed as provided in s. 633.414.

Section 24. Subsection (2) of section 633.412, Florida Statutes, is amended to read:

633.412 Firefighters; qualifications for certification.—

~~(2) If the division suspends or revokes an individual's certificate, the division must suspend or revoke all other certificates issued to the individual by the division pursuant to this part.~~

Section 25. Section 633.414, Florida Statutes, is amended to read:

633.414 Retention of firefighter and volunteer firefighter certifications certification.—

(1) In order for a firefighter to retain her or his Firefighter Certificate of Compliance, every 4 years he or she must meet the requirements for renewal provided in this chapter and by rule, which must include at least one of the following:

(a) Be active as a firefighter.;

(b) Maintain a current and valid fire service instructor certificate, instruct at least 40 hours during the 4-year period, and provide proof of such instruction to the division, which proof must be registered in an electronic database designated by the division;

(c) Within 6 months before the 4-year period expires, successfully complete a Firefighter Retention Refresher Course consisting of a minimum of 40 hours of training to be prescribed by rule;

(d) Within 6 months before the 4-year period expires, successfully retake and pass the Minimum Standards Course examination pursuant to s. 633.408.

(2) In order for a volunteer firefighter to retain her or his Volunteer Firefighter Certificate of Completion, every 4 years he or she must:

(a) Be active as a volunteer firefighter; or

(b) Successfully complete a refresher course consisting of a minimum of 40 hours of training to be prescribed by rule.

(3) Subsection (1) does not apply to state-certified firefighters who are certified and employed full-time, as determined by the fire service provider, as firesafety inspectors or fire investigators, regardless of ~~their her or his~~ employment status as firefighters or volunteer firefighters a firefighter.

(4) For the purposes of this section, the term “active” means being employed as a firefighter or providing service as a volunteer firefighter for a cumulative period of 6 months within a 4-year period.

(5) The 4-year period begins upon issuance of the certificate or separation from employment;

~~(a) If the individual is certified on or after July 1, 2013, on the date the certificate is issued or upon termination of employment or service with a fire department.~~

~~(b) If the individual is certified before July 1, 2013, on July 1, 2014, or upon termination of employment or service thereafter.~~

(6) A certificate for a firefighter or volunteer firefighter expires if he or she fails to meet the requirements of this section.

(7) The State Fire Marshal may deny, refuse to renew, suspend, or revoke the certificate of a firefighter or volunteer firefighter if the State Fire Marshal finds that any of the following grounds exists:

(a) Any cause for which issuance of a certificate could have been denied if it had then existed and had been known to the division.

(b) A violation of any provision of this chapter or any rule or order of the State Fire Marshal.

(c) Falsification of a record relating to any certificate issued by the division.

Section 26. Subsections (1) and (2) of section 633.426, Florida Statutes, are amended to read:

633.426 Disciplinary action; standards for revocation of certification.—

(1) For purposes of this section, the term:

(a) “Certificate” means any of the certificates issued under s. 633.406.

(b) “Certification” or “certified” means ~~the act of holding a certificate that~~ is current and valid and that meets the requirements for renewal of certification pursuant to this chapter and the rules adopted under this chapter certificate.

(c) “Convicted” means a finding of guilt, or the acceptance of a plea of guilty or nolo contendere, in any federal or state court or a court in any other country, without regard to whether a judgment of conviction has been entered by the court having jurisdiction of the case.

(2) Effective July 1, 2013, an individual who holds a certificate is subject to revocation for any of the following ~~An individual is ineligible to apply for certification if the individual has, at any time, been:~~

(a) Conviction ~~Convicted~~ of a misdemeanor relating to the certification or to perjury or false statements.

(b) Conviction ~~Convicted~~ of a felony or a crime punishable by imprisonment of 1 year or more under the law of the United States or of any state thereof, or under the law of any other country.

(c) Dishonorable discharge ~~Dishonorably discharged~~ from any of the Armed Forces of the United States.

Section 27. Section 717.138, Florida Statutes, is amended to read:

717.138 Rulemaking authority.—The department shall administer and provide for the enforcement of this chapter. The department has authority to adopt rules pursuant to ss. 120.536(1) and 120.54 to implement the provisions of this chapter. The department may adopt rules to allow for electronic filing of fees, forms, and reports required by this chapter. The authority to adopt rules pursuant to this chapter applies to all unclaimed property reported and remitted to the Chief Financial Officer, including, but not limited to, property reported and remitted pursuant to ss. 43.19, 45.032, 732.107, 733.816, and 744.534.

Section 28. Paragraph (d) of subsection (3) of section 627.062, Florida Statutes, is amended to read:

627.062 Rate standards.—

(3)

(d)1. The following categories or kinds of insurance and types of commercial lines risks are not subject to paragraph (2)(a) or paragraph (2)(f):

- a. Excess or umbrella.
- b. Surety and fidelity.
- c. Boiler and machinery and leakage and fire extinguishing equipment.
- d. Errors and omissions.
- e. Directors and officers, employment practices, fiduciary liability, and management liability.
- f. Intellectual property and patent infringement liability.
- g. Advertising injury and Internet liability insurance.
- h. Property risks rated under a highly protected risks rating plan.
- i. General liability.
- j. Nonresidential property, except for collateral protection insurance as defined in s. 624.6085.
- k. Nonresidential multiperil.
- l. Excess property.
- m. Burglary and theft.
- n. Travel insurance, if issued as a master group policy with a situs in another state where each certificateholder pays less than \$30 in premium for each covered trip and where the insurer has written less than \$1 million in annual written premiums in the travel insurance product in this state during the most recent calendar year.

~~o.n.~~ Medical malpractice for a facility that is not a hospital licensed under chapter 395, a nursing home licensed under part II of chapter 400, or an assisted living facility licensed under part I of chapter 429.

~~p.o.~~ Medical malpractice for a health care practitioner who is not a dentist licensed under chapter 466, a physician licensed under chapter 458, an osteopathic physician licensed under chapter 459, a chiropractic physician licensed under chapter 460, a podiatric physician licensed under chapter 461, a pharmacist licensed under chapter 465, or a pharmacy technician registered under chapter 465.

~~q.p.~~ Any other commercial lines categories or kinds of insurance or types of commercial lines risks that the office determines should not be subject to

paragraph (2)(a) or paragraph (2)(f) because of the existence of a competitive market for such insurance or similarity of such insurance to other categories or kinds of insurance not subject to paragraph (2)(a) or paragraph (2)(f), or to improve the general operational efficiency of the office.

2. Insurers or rating organizations shall establish and use rates, rating schedules, or rating manuals to allow the insurer a reasonable rate of return on insurance and risks described in subparagraph 1. which are written in this state.

3. An insurer shall notify the office of any changes to rates for insurance and risks described in subparagraph 1. within 30 days after the effective date of the change. The notice must include the name of the insurer, the type or kind of insurance subject to rate change, and the average statewide percentage change in rates. Actuarial data with regard to rates for such risks must be maintained by the insurer for 2 years after the effective date of changes to those rates and are subject to examination by the office. The office may require the insurer to incur the costs associated with an examination. Upon examination, the office, in accordance with generally accepted and reasonable actuarial techniques, shall consider the rate factors in paragraphs (2)(b), (c), and (d) and the standards in paragraph (2)(e) to determine if the rate is excessive, inadequate, or unfairly discriminatory.

4. A rating organization shall notify the office of any changes to loss cost for insurance and risks described in subparagraph 1. within 30 days after the effective date of the change. The notice must include the name of the rating organization, the type or kind of insurance subject to a loss cost change, loss costs during the immediately preceding year for the type or kind of insurance subject to the loss cost change, and the average statewide percentage change in loss cost. Actuarial data with regard to changes to loss cost for risks not subject to paragraph (2)(a) or paragraph (2)(f) must be maintained by the rating organization for 2 years after the effective date of the change and are subject to examination by the office. The office may require the rating organization to incur the costs associated with an examination. Upon examination, the office, in accordance with generally accepted and reasonable actuarial techniques, shall consider the rate factors in paragraphs (2)(b)-(d) and the standards in paragraph (2)(e) to determine if the rate is excessive, inadequate, or unfairly discriminatory.

Section 29. Subsection (1) of section 627.0645, Florida Statutes, is amended to read:

627.0645 Annual filings.—

(1) Each rating organization filing rates for, and each insurer writing, any line of property or casualty insurance to which this part applies, except:

(a) Workers' compensation and employer's liability insurance; ~~or~~

(b) Insurance as defined in ss. 624.604 and 624.605, limited to coverage of commercial risks other than commercial residential multiperil; ~~or,~~

(c) Travel insurance, if issued as a master group policy with a situs in another state where each certificateholder pays less than \$30 in premium for each covered trip and where the insurer has written less than \$1 million in annual written premiums in the travel insurance product in this state during the most recent calendar year,

shall make an annual base rate filing for each such line with the office no later than 12 months after its previous base rate filing, demonstrating that its rates are not inadequate.

Section 30. For the 2016-2017 fiscal year, the sum of \$229,165 in recurring funds from the Insurance Regulatory Trust Fund is appropriated to the Department of Financial Services, and one full-time equivalent position with associated salary rate of 50,000 is authorized, for the purpose of implementing this act.

Section 31. This act shall take effect July 1, 2016.

Approved by the Governor March 25, 2016.

Filed in Office Secretary of State March 25, 2016.