

1 A bill to be entitled
2 An act relating to insurance company
3 representatives; providing legislative findings
4 and intent; amending s. 624.11; conforming
5 cross references; amending s. 624.509;
6 conforming cross references; creating s.
7 626.015; creating a definitions section;
8 creating certain definitions; transferring
9 definitions from other sections; creating s.
10 626.025; providing legislative intent;
11 preserving consumer protections; amending s.
12 626.032; removing the definition of
13 "administrative agent"; s. amending s. 626.112;
14 conforming cross references; amending s.
15 626.171, F.S.; authorizing the department to
16 accept the Uniform Application for nonresident
17 agent applications; creating s. 626.175;
18 providing for temporary licensure in certain
19 situations; creating s. 626.207, F.S.;
20 authorizing the department to promulgate rules
21 relating to waiting periods for applicants for
22 licensure and penalties for licensees; amending
23 s. 626.221; providing an exemption from the
24 examination requirement for customer
25 representatives with certain designations;
26 providing an exemption from the examination
27 requirement for adjusters with certain
28 designations; providing an exemption from the
29 examination requirement for certain agents
30 transferring their licenses from other states;
31 providing an exemption from the examination

1 requirements for certain applicants for
2 nonresident agent licensure; creating s.
3 626.292; allowing certain agents licensed in
4 other states to transfers their licenses to
5 this state under certain circumstances;
6 amending s. 626.301; amending the content of
7 licenses issued by the department; creating s.
8 626.535; requiring agents to report to the
9 department certain final dispositions of
10 administrative actions taken against the agent;
11 allowing the department to adopt rules to
12 implement the requirement; amending s. 626.551;
13 extending the time period allowed for licensees
14 to notify the department of a change of address
15 or name to 60 days; providing for fines for
16 failure to timely report such information to
17 the department; amending s. 626.727; conforming
18 cross references; amending s. 626.729;
19 conforming cross references; creating
20 626.7315; relating to the unlicensed
21 transaction of general lines insurance;
22 amending s. 626.732, F.S.; relating to the
23 requirements as to knowledge, experience, or
24 instruction for certain customer
25 representatives and service representatives;
26 amending s. 626.738, F.S.; canceling solicitor
27 licenses and issuing general lines insurance
28 agent licenses; amending s. 626.741; providing
29 for the waiver of the examination requirements
30 for certain nonresident applicants meeting
31 certain requirements; allowing the department

1 to verify the nonresident applicant's licensing
2 status through a database; amending s.
3 626.7454; conforming a cross reference;
4 creating s. 626.7455; relating to managing
5 general agents and the responsibilities of
6 insurers; amending s. 626.779; conforming a
7 cross reference; creating s. 626.7845; relating
8 to the unlicensed transaction of life
9 insurance; amending s. 626.792; providing for
10 the waiver of the examination requirements for
11 certain nonresident applicants meeting certain
12 requirements; allowing the department to verify
13 the nonresident applicant's licensing status
14 through a database; creating s. 626.8305;
15 relating to the prohibition against the
16 unlicensed transaction of health insurance;
17 amending s. 626.835; providing for the waiver
18 of the examination requirements for certain
19 nonresident applicants meeting certain
20 requirements; allowing the department to verify
21 the nonresident applicant's licensing status
22 through a database; amending s. 626.8411;
23 conforming a cross reference; amending s.
24 626.852; providing an exemption to the
25 insurance adjusters law to those persons
26 adjusting only multiple-peril crop insurance or
27 crop hail claims; amending s. 626.927;
28 conforming cross references; amending s.
29 626.992; conforming a cross reference; amending
30 s. 648.27; conforming a cross reference;
31 repealing ss. 626.031, 626.041, 626.051,

1 626.062, 626.071, 626.072, 626.081, 626.091,
2 626.094, 626.101, 626.102, 626.103, 626.104,
3 626.736, 626.737, 626.738, 626.739, 626.740,
4 626.790, and 626.791, F.S.;, F.S.; providing
5 effective dates.

6
7 Be It Enacted by the Legislature of the State of Florida:

8
9 Section 1. Legislative findings and intent.--The
10 Legislature finds that Subtitle C of the federal
11 Gramm-Leach-Bliley Act, 15 U.S.C.A., s. 6751 et seq., requires
12 States to achieve uniformity or reciprocity in producer
13 licensing, but not at the expense of State laws designed to
14 protect insurance consumers. The Legislature finds that the
15 Gramm-Leach-Bliley Act expressly saves from alteration State
16 consumer protection laws unless inconsistent with that Act.
17 Therefore, it is the intent of the Legislature to achieve
18 compliance with the uniformity and reciprocity requirements of
19 Subtitle C of the Gramm-Leach-Bliley Act, while exercising its
20 authority under that Act to preserve insurance consumer
21 protection laws not inconsistent with these requirements.

22 Section 2. Subsection (2) of section 624.11, Florida
23 Statutes, is amended to read:

24 624.11 Compliance required.--

25 (2) Any risk retention group organized and existing
26 under the provisions of the Product Liability Risk Retention
27 Act of 1981 (Pub. L. No. 97-45), which has been licensed as an
28 insurance company and authorized to engage in the business of
29 insurance may transact insurance in this state and shall be
30 subject to the provisions of ss. 624.15, 624.316, 624.418,
31 624.421, 624.4211, 624.422, 624.509, ~~626.015(6)626.041,~~

1 626.112, 626.611, 626.621, 626.731, 626.741, 626.932, 626.938,
2 626.9541, 627.351, and 627.915; part I of chapter 631; and all
3 other applicable provisions of the laws of this state. Any
4 such group formed in another jurisdiction shall furnish to the
5 department, upon request, a copy of any financial report
6 submitted by the group in the licensing jurisdiction.

7 Section 3. Paragraph (b) of subsection (5) of section
8 624.509, Florida Statutes, is amended to read:

9 624.509 Premium tax; rate and computation.--

10 (5) There shall be allowed a credit against the net
11 tax imposed by this section equal to 15 percent of the amount
12 paid by the insurer in salaries to employees located or based
13 within this state and who are covered by the provisions of
14 chapter 443. For purposes of this subsection:

15 (b) The term "employees" does not include independent
16 contractors or any person whose duties require that the person
17 hold a valid license under the Florida Insurance Code, except
18 persons defined in subsections (1), (15) and (17) of s.
19 626.015 ~~ss. 626.081, 626.091, and 626.101.~~

20 Section 4. Section 626.015, Florida Statutes, is
21 created to read:

22 626.015 Definitions.--As used in this part:

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

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

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

31 (b) Performs primarily administrative functions.

- 1 (c) Receives no insurance commissions.
2 (d) Does not solicit or transact business outside of
3 the confines of an insurance agency office.
4 (3) "Agent" means a general lines agent, life agent,
5 health agent, or title agent, or all such agents, as indicated
6 by context. An "agent" includes an "insurance producer" or
7 "producer," but does not include a "customer representative,"
8 "limited customer representative," or "service
9 representative."
10 (4) "Appointment" means the authority given by an
11 insurer or employer to a licensee to transact insurance or
12 adjust claims on behalf of an insurer or employer.
13 (5) "Customer representative" means an individual
14 appointed by a general lines agent or agency to assist that
15 agent or agency in transacting the business of insurance from
16 the office of that agent or agency.
17 (6) "General lines agent" means an agent transacting
18 any one or more of the following kinds of insurance:
19 (a) Property insurance.
20 (b) Casualty insurance, including commercial liability
21 insurance underwritten by a risk retention group, a commercial
22 self-insurance fund as defined in s. 624.462, or a workers'
23 compensation self-insurance fund established pursuant to s.
24 624.4621.
25 (c) Surety insurance.
26 (d) Health insurance, when transacted by an insurer
27 also represented by the same agent as to property or casualty
28 or surety insurance.
29 (e) Marine insurance.
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1 (7) "Health agent" is an agent representing a health
2 maintenance organization or, as to health insurance only, an
3 insurer transacting health insurance.

4 (8) "Home state" means the District of Columbia and
5 any state or territory of the United States in which an
6 insurance agent maintains his or her principal place of
7 residence and is licensed to act as an insurance agent.

8 (9) "Insurance agency" is a business location at which
9 an individual, firm, partnership, corporation, association, or
10 other entity, except for an employee of the individual, firm,
11 partnership, corporation, association, or other entity, and
12 other than an insurer as defined by s. 624.03 or an adjuster
13 as defined by subsection (1) of this section, engages in any
14 activity or employs individuals to engage in any activity
15 which by law may be performed only by a licensed insurance
16 agent.

17 (10) "License" is a document issued by the department
18 authorizing a person to be appointed to transact insurance or
19 adjust claims for the kind, line, or class of insurance
20 identified in the document.

21 (11) "Life agent" means an individual representing an
22 insurer as to life insurance and annuity contracts, including
23 agents appointed to transact life insurance, fixed-dollar
24 annuity contracts, or variable contracts by the same insurer.

25 (12) "Limited customer representative" is a customer
26 representative appointed by a general lines agent or agency to
27 assist that agent or agency in transacting only the business
28 of private passenger motor vehicle insurance from the office
29 of that agent or agency. A limited customer representative is
30 subject to the Insurance Code in the same manner as a customer
31 representative unless otherwise specified.

1 (13) "Limited lines insurance" means those categories
2 of business specified in s. 626.321 and 635.011.

3 (14) "Line of authority" means a kind, line, or class
4 of insurance an agent is authorized to transact.

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

17 1. Adjusts or pays claims.

18 2. Negotiates reinsurance on behalf of the insurer.

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

21 1. An employee of the insurer.

22 2. A United States manager of the United States branch
23 of an alien insurer.

24 3. An underwriting manager managing all the insurance
25 operations of the insurer pursuant to this contract, who is
26 under the common control of the insurer subject to regulation
27 under ss. 628.801-628.803, and whose compensation is not based
28 on the volume of premiums written.

29 4. Third-party administrators as defined by s. 626.88.
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1 5. The attorney-in-fact authorized by and acting for
2 the subscribers of a reciprocal insurer under powers of
3 attorney.

4 (16) "Resident" means an individual domiciled and
5 residing in the State of Florida.

6 (17) "Service representative" is an individual
7 employed by an insurer or managing general agent for the
8 purpose of assisting a general lines agent in negotiating and
9 effecting insurance contracts when accompanied by a licensed
10 general lines agent. A service representative shall not be
11 simultaneously licensed as a general lines agent in this
12 state.

13 (18) "Uniform Application" means the uniform
14 application of the National Association of Insurance
15 Commissioners for nonresident agent licensing, effective
16 January 15, 2001, or subsequent versions adopted by rule by
17 the department.

18 Section 5. Section 626.025, Florida Statutes, is
19 created to read:

20 626.025 Consumer Protections.--To transact insurance,
21 agents must comply with consumer protection laws, including
22 the following, as applicable:

23 (1) Continuing education requirements for resident and
24 nonresident agents, as required in s. 626.2815.

25 (2) Fingerprinting requirements for resident and
26 nonresident agents, as required under s. 626.171 and s.
27 626.202.

28 (3) Fingerprinting following a department
29 investigation under s. 626.601.

30 (4) The submission of credit and character reports, as
31 required by s. 626.171 and s. 626.521.

- 1 (5) Qualifications for licensure as an agent in s.
2 626.731, s. 626.7351, s. 626.785, and s. 626.831.
- 3 (6) Examination requirements in s. 626.221, s.
4 626.741, s. 626.792, and s. 626.835.
- 5 (7) Required licensure of certain insurance agencies
6 under s. 626.172.
- 7 (8) Requirements for licensure of resident and
8 nonresident agents in s. 626.112, s.626.321, s.626.741, s.
9 626.835, and s. 626.792.
- 10 (9) The prohibition against nonresident agents having
11 a place of business in the state, a pecuniary interest in an
12 insurance business in the state, or a financial interest in an
13 insurer in the state, under s. 626.741, s. 626.835, and
14 s.626.792.
- 15 (10) The prohibition against employees of the U.S.
16 Department of Veterans Affairs being licensed as life agents
17 or health agents, under s. 626.788 and s. 626.833.
- 18 (11) The prohibition against licensed life agents or
19 health agents who are members of the Armed Services selling
20 insurance products to those of a lower military rank, under s.
21 626.789 and s. 626.834.
- 22 (12) Countersignature of insurance policies, as
23 required under s. 624.425, s. 624.426, and s. 626.741.
- 24 (13) Designation of a primary agent by an insurance
25 agency under s. 626.592.
- 26 (14) The Code of Ethics for life insurance agents, as
27 set forth in s. 626.797.
- 28 (15) The prohibition against the designation of a life
29 insurance agent as the beneficiary of life insurance policy
30 sold to an individual other than a family member under s.
31 626.798.

1 (16) Any other licensing requirement, restriction, or
2 prohibition designated a consumer protection by the Insurance
3 Commissioner, but not inconsistent with the requirements of
4 Subtitle C of the Gramm-Leach-Bliley Act, 15, U.S.C.A., s.
5 6751 et seq.

6 Section 6. Section 626.032, Florida Statutes, is
7 amended to read:

8 626.032 Administrative agents~~"Administrative agent"~~
9 ~~defined~~; continuing education and designation required.--

10 (1) ~~As used in this part, "administrative agent" means~~
11 ~~a life agent or health agent who:~~

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

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

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

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

19 ~~(2)~~ An administrative agent is subject to all
20 requirements of this code applicable to life agents or health
21 agents, except that the number of hours of continuing
22 education required of an administrative agent under s.
23 626.2815 is one-half the number of hours of continuing
24 education required of a life agent or health agent.

25 (2)~~(3)~~ An agent may request, and the department must
26 grant, a designation of "administrative agent" to be
27 prominently printed on the agent's license. The request shall
28 be filed on a form furnished by the department with the
29 administrative agent's application filing fee of \$10 and
30 license modification fee established by s. 624.501(16).

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1 (3)~~(4)~~ An administrative agent who desires removal of
2 the "administrative agent" designation may apply to the
3 department, on forms furnished by the department with an
4 application filing fee of \$10 and license modification fee
5 established pursuant to s. 624.501(16). If, during the 24
6 months preceding the application, the administrative agent
7 completed the full continuing education requirements specified
8 in s. 626.2815, the department shall remove the designation
9 from the agent's license.

10 Section 7. Section 626.094, Florida Statutes, is
11 amended to read:

12 626.094 "Insurance agency" defined.--An "insurance
13 agency" is a business location at which an individual, firm,
14 partnership, corporation, association, or other entity, except
15 for an employee of the individual, firm, partnership,
16 corporation, association, or other entity, and other than an
17 insurer as defined by s. 624.03 or an adjuster as defined by
18 s. 626.101, engages in any activity or employs individuals to
19 engage in any activity which by law may be performed only by a
20 licensed insurance agent ~~or solicitor~~.

21 Section 8. Paragraphs (a) and (b) of subsection (1)
22 and subsection (2) of section 626.112, Florida Statutes, are
23 amended to read:

24 626.112 License and appointment required; agents,
25 customer representatives, ~~solicitors~~, adjusters, insurance
26 agencies, service representatives, managing general agents.--

27 (1)(a) No person may be, act as, or advertise or hold
28 himself or herself out to be an insurance agent, customer
29 representative, ~~solicitor~~, or adjuster unless he or she is
30 currently licensed and appointed.

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1 (b) Except as provided in subsection (6) or in
2 applicable department rules, and in addition to other conduct
3 described in this chapter with respect to particular types of
4 agents, a license as an insurance agent, service
5 representative, ~~solicitor~~, customer representative, or limited
6 customer representative is required in order to engage in the
7 solicitation of insurance. For purposes of this requirement,
8 as applicable to any of the license types described in this
9 section, the solicitation of insurance is the attempt to
10 persuade any person to purchase an insurance product by:

- 11 1. Describing the benefits or terms of insurance
12 coverage, including premiums or rates of return;
- 13 2. Distributing an invitation to contract to
14 prospective purchasers;
- 15 3. Making general or specific recommendations as to
16 insurance products;
- 17 4. Completing orders or applications for insurance
18 products; or
- 19 5. Comparing insurance products, advising as to
20 insurance matters, or interpreting policies or coverages.

21
22 However, an employee leasing company licensed pursuant to
23 chapter 468 which is seeking to enter into a contract with an
24 employer that identifies products and services offered to
25 employees may deliver proposals for the purchase of employee
26 leasing services to prospective clients of the employee
27 leasing company setting forth the terms and conditions of
28 doing business; classify employees as permitted by s. 468.529;
29 collect information from prospective clients and other sources
30 as necessary to perform due diligence on the prospective
31 client and to prepare a proposal for services; provide and

1 receive enrollment forms, plans, and other documents; and
 2 discuss or explain in general terms the conditions,
 3 limitations, options, or exclusions of insurance benefit plans
 4 available to the client or employees of the employee leasing
 5 company were the client to contract with the employee leasing
 6 company. Any advertising materials or other documents
 7 describing specific insurance coverages must identify and be
 8 from a licensed insurer or its licensed agent or a licensed
 9 and appointed agent employed by the employee leasing company.
 10 The employee leasing company may not advise or inform the
 11 prospective business client or individual employees of
 12 specific coverage provisions, exclusions, or limitations of
 13 particular plans. As to clients for which the employee leasing
 14 company is providing services pursuant to s. 468.525(4), the
 15 employee leasing company may engage in activities permitted by
 16 ss. 626.731, 626.7845, and 626.8305 ~~ss. 626.041, 626.051, and~~
 17 ~~626.062~~, subject to the restrictions specified in those
 18 sections. If a prospective client requests more specific
 19 information concerning the insurance provided by the employee
 20 leasing company, the employee leasing company must refer the
 21 prospective business client to the insurer or its licensed
 22 agent or to a licensed and appointed agent employed by the
 23 employee leasing company.

24 (2) No agent, or customer representative, ~~or solicitor~~
 25 shall solicit or otherwise transact as agent, or customer
 26 representative, ~~or solicitor~~, or represent or hold himself or
 27 herself out to be an agent, or customer representative, ~~or~~
 28 ~~solicitor~~ as to, any kind or kinds of insurance as to which he
 29 or she is not then licensed and appointed.

30 Section 9. Subsections (1) and (5) of section 626.171,
 31 Florida Statutes, are amended to read:

1 626.171 Application for license.--
2 (1) The department shall not issue a license as agent,
3 customer representative, adjuster, insurance agency, service
4 representative, managing general agent, or reinsurance
5 intermediary to any person except upon written application
6 therefor filed with it, qualification therefor, and payment in
7 advance of all applicable fees. Any such application shall be
8 made under the oath of the applicant and be signed by the
9 applicant. The department may accept the Uniform Application.
10 The department is authorized to adopt revised versions of the
11 Uniform Application by rule, if the revised Uniform
12 Application provides the department with necessary information
13 required by the Florida nonresident agent application.

14 (5) An application for a license as an agent, customer
15 representative, ~~solicitor~~, adjuster, insurance agency, service
16 representative, managing general agent, or reinsurance
17 intermediary must be accompanied by a set of the individual
18 applicant's fingerprints, or, if the applicant is not an
19 individual, by a set of the fingerprints of the sole
20 proprietor, majority owner, partners, officers, and directors,
21 on a form adopted by rule of the department and accompanied by
22 the fingerprint processing fee set forth in s. 624.501. The
23 fingerprints shall be certified by a law enforcement officer.

24 Section 10. Section 626.175, Florida Statutes, is
25 created to read:

26 626.175 Temporary licensing.--
27 (1) The department may issue a nonrenewable temporary
28 license for a period not to exceed 6 months authorizing
29 appointment of a general lines insurance agent or a life
30 agent, or an industrial fire or burglary agent, subject to the
31 conditions described in this section. The fees paid for a

1 temporary license and appointment shall be as specified in s.
2 624.501. Fees paid shall not be refunded after a temporary
3 license has been issued.

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

13 a. No other individual connected with the agent's
14 business is licensed as a general lines agent.

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

18 c. Application for the temporary license has been made
19 by the applicant upon statements and affidavit filed with the
20 department on forms prescribed and furnished by the
21 department.

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

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

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

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

9 2. To a surviving next of kin of the deceased
10 individual, if no administrator or executor has been appointed
11 and qualified; however, any license and appointment under this
12 paragraph shall be canceled upon issuance of a license to an
13 executor or administrator under paragraph (a).

14 3. To an individual otherwise qualified to be licensed
15 as an agent and completing the educational or training
16 requirements prescribed in s. 626.7851, and sitting for the
17 required examination prior to termination of such 6-month
18 period. The department may issue this temporary license only
19 in the case of a life agent to represent an insurer of the
20 industrial or ordinary-combination class.

21 (c) In the case of a limited license authorizing
22 appointment as an industrial fire or burglary agent, the
23 department may issue a temporary license to an individual
24 otherwise qualified to be licensed as an agent, completing the
25 educational or training requirements prescribed in s. 626.732,
26 and sitting for the required examination prior to termination
27 of the 6-month period.

28 (2) If an absent or disabled agent being replaced
29 under a temporary license returns or becomes able to resume
30 the active conduct of the agency, or if the disposition of the
31 affairs of the agency of a deceased or mentally incompetent

1 agent is completed, or the temporary licensee has qualified
2 for a regular license, before expiration otherwise of the
3 temporary license, the temporary license shall terminate.

4 (3) If, during the 6-month temporary license and
5 appointment period, the applicant passes the licensing
6 examination, the temporary license shall terminate and a
7 license shall be issued by the department after payment of a
8 modification fee as prescribed in s. 624.501.

9 (4) An application for a temporary license shall be
10 made by the applicant upon statements and affidavit filed with
11 the department on forms prescribed and furnished by the
12 department.

13 (5) Except as provided in this section, the holder of
14 a temporary license shall be subject to the Insurance Code to
15 the same extent as regularly licensed and appointed agents.

16 (6) The department may limit the authority of any
17 temporary licensee in any way deemed necessary to protect
18 insureds and the public.

19 (7) The Department may issue to an applicant only one
20 temporary license for each kind, line or class of insurance or
21 a single temporary license covering multiple lines.

22 Section 11. Section 626.207, Florida Statutes, is
23 created to read:

24 626.207 Department rulemaking authority; waiting
25 periods for applicants; penalties against licensees.--

26 (1) The department shall promulgate rules establishing
27 specific waiting periods for applicants to become eligible
28 for licensure following denial, suspension, or revocation
29 pursuant to ss. 626.611, 626.621, 626.8437, 626.844, 626.935,
30 626.9917, 634.181, 634.191, 634.320, 634.321, 634.422,
31 634.423, 642.041, and 642.043. The purpose of the waiting

1 periods is to provide sufficient time to demonstrate
2 reformation of character and rehabilitation. The waiting
3 periods shall vary based on the type of conduct and the length
4 of time since the conduct occurred and shall also be based on
5 the probability that the propensity to commit illegal conduct
6 has been overcome. The waiting periods may be adjusted based
7 on aggravating and mitigating factors established by rule and
8 consistent with this purpose.

9 (2) The department shall promulgate rules establishing
10 specific penalties against licensees for violations of ss.
11 626.611, 626.621, 626.8437, 626.844, 626.935, 626.9917,
12 634.181, 634,191, 634.320, 634.321, 634.422, 634.423, 642.041,
13 and 642.043. The purpose of the revocation or suspension is
14 to provide a sufficient penalty to deter future violations of
15 the insurance code. The imposition of a revocation or the
16 length of suspension shall be based on the the type of conduct
17 and the probability that the propensity to commit further
18 illegal conduct has been overcome at the time of eligibility
19 for relicensure. The revocation or the length of suspension
20 may be adjusted based on aggravating or mitigating factors,
21 established by rule and consistent with this purpose.

22 Section 12. Section 626.221, Florida Statutes, is
23 amended to read:

24 626.221 Examination requirement; exemptions.--

25 (1) The department shall not issue any license as
26 agent, ~~solicitor~~, customer representative, or adjuster to any
27 individual who has not qualified for, taken, and passed to the
28 satisfaction of the department a written examination of the
29 scope prescribed in s. 626.241.

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

1 (a) An applicant for renewal of appointment as an
2 agent, ~~solicitor~~, customer representative, or adjuster, unless
3 the department determines that an examination is necessary to
4 establish the competence or trustworthiness of such applicant.

5 (b) An applicant for limited license as agent for
6 personal accident insurance, baggage and motor vehicle excess
7 liability insurance, credit life or disability insurance,
8 credit insurance, credit property insurance, or in-transit and
9 storage personal property insurance.

10 (c) In the discretion of the department, an applicant
11 for reinstatement of license or appointment as an agent,
12 customer representative, or adjuster whose license has been
13 suspended within 2 years prior to the date of application or
14 written request for reinstatement.

15 (d) An applicant who, within 2 years prior to
16 application for license and appointment as an agent, customer
17 representative, or adjuster, was a full-time salaried employee
18 of the department and had continuously been such an employee
19 with responsible insurance duties for not less than 2 years
20 and who had been a licensee within 2 years prior to employment
21 by the department with the same class of license as that being
22 applied for.

23 (e) An individual who qualified as a ~~solicitor~~,
24 managing general agent, service representative, customer
25 representative, or all-lines adjuster by passing a general
26 lines agent's examination and subsequently was licensed and
27 appointed and has been actively engaged in all lines of
28 property and casualty insurance may, upon filing an
29 application for appointment, be licensed and appointed as a
30 general lines agent for the same kinds of business without
31 taking another examination if he or she holds any such

1 currently effective license referred to in this paragraph or
2 held the license within 24 months prior to the date of filing
3 the application with the department.

4 (f) A person who has been licensed and appointed by
5 the department as a public adjuster or independent adjuster,
6 or licensed and appointed either as an agent or company
7 adjuster as to all property, casualty, and surety insurances,
8 may be licensed and appointed as a company adjuster as to any
9 of such insurances, or as an independent adjuster or public
10 adjuster, without additional written examination if an
11 application for appointment is filed with the department
12 within 24 months following the date of cancellation or
13 expiration of the prior appointment.

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

21 (h) An applicant for a temporary license, except as
22 provided in this code.

23 ~~(i) An applicant for license as a nonresident agent,~~
24 ~~if so provided in this code.~~

25 ~~(j)~~ An applicant for a life or health license who has
26 received the designation of chartered life underwriter (CLU)
27 from the American College of Life Underwriters and who has
28 been engaged in the insurance business within the past 4
29 years, except that such an individual ~~a person~~ may be examined
30 on pertinent provisions of this code.

31

1 ~~(j)(k)~~ An applicant for license as a general lines
2 agent, ~~solicitor~~, customer representative, or adjuster who has
3 received the designation of chartered property and casualty
4 underwriter (CPCU) from the American Institute for Property
5 and Liability Underwriters and who has been engaged in the
6 insurance business within the past 4 years, except that such
7 an individual ~~a person~~ may be examined on pertinent provisions
8 of this code.

9 ~~(k)(1)~~ An applicant for license as a customer
10 representative who has the designation of Accredited Advisor
11 in Insurance (AAI) from the Insurance Institute of America,
12 the designation of Certified Insurance Counselor (CIC) from
13 the Society of Certified Insurance Service Counselors, the
14 designation of Accredited Customer Service Representative
15 (ACSR) from the Independent Insurance Agents of America, the
16 designation of Certified Professional Service Representative
17 (CPSR) from the National Association of Professional Insurance
18 Agents, the designation of Certified Insurance Service
19 Representative (CISR) from the Society of Certified Insurance
20 Service Representatives. Also, an applicant for license as a
21 customer representative who has the designation of Certified
22 Customer Service Representative (CCSR) from the Florida
23 Association of Insurance Agents, or the designation of
24 Registered Customer Service Representative (RCSR) from a
25 regionally accredited postsecondary institution in this state,
26 or the designation of Professional Customer Service Associate
27 (PCSR) from the Professional Career Institute, whose
28 curriculum has been approved by the department and whose
29 curriculum includes comprehensive analysis of basic property
30 and casualty lines of insurance and testing at least equal to
31 that of standard department testing for the customer

1 representative license. The department shall adopt rules
2 establishing standards for the approval of curriculum.

3 ~~(l)(m)~~ An applicant for license as an adjuster who has
4 the designation of Accredited Claims Adjuster (ACA) from a
5 regionally accredited postsecondary institution in this state,
6 or the designation of Professional Claims Adjuster (PCA) from
7 the Professional Career Institute, whose curriculum has been
8 approved by the department and whose curriculum includes
9 comprehensive analysis of basic property and casualty lines of
10 insurance and testing at least equal to that of standard
11 department testing for the all-lines adjuster license. The
12 department shall adopt rules establishing standards for the
13 approval of curriculum.

14 (m) An applicant qualifying for a license transfer
15 under s. 626.292, if the applicant:

16 1. Has successfully completed the pre-licensing
17 examination requirements in the applicant's previous state
18 which are substantially equivalent to the examination
19 requirements in this state, as determined by the Insurance
20 Commissioner of this state;

21 2. Has received the designation of Chartered Property
22 and Casualty Underwriter (CPCU) from the American Institute
23 for Property and Liability Underwriters and has been engaged
24 in the insurance business within the past 4, years if applying
25 to transfer a general lines agent license; or

26 3. Has received the designation of Chartered Life
27 Underwriter (CLU) from the American College of Life
28 Underwriters and has been engaged in the insurance business
29 within the past 4 years, if applying to transfer a life or
30 health agent license.

31

1 (n) An applicant for a nonresident agent license, if
2 the applicant:

3 1. Has successfully completed pre-licensing
4 examination requirements in the applicant's home state which
5 are substantially equivalent to the examination requirements
6 in this state, as determined by the Insurance Commissioner of
7 this state, as a requirement for obtaining a resident license
8 in his or her home state;

9 2. Held a general lines agent license, life agent
10 license, or health agent license prior to the time a written
11 examination was required;

12 3. Has received the designation of Chartered Property
13 and Casualty Underwriter (CPCU) from the American Institute
14 for Property and Liability Underwriters and has been engaged
15 in the insurance business within the past 4 years, if an
16 applicant for a nonresident license as a general lines agent;
17 or

18 4. Has received the designation of Chartered Life
19 Underwriter (CLU) from the American College of Life
20 Underwriters and has been in the insurance business within the
21 past 4 years, if an applicant for a nonresident license as a
22 life agent or health agent.

23 (3) An individual who is already licensed as a
24 ~~solicitor or~~ customer representative shall not be licensed as
25 a general lines agent without application and examination for
26 such license.

27 Section 13. Section 626.292, Florida Statutes, is
28 created to read:

29 626.292 Transfer of license from another state.--

30 (1) Any individual licensed in good standing in
31 another state may apply to the department to have the license

1 transferred to this state to obtain a Florida resident agent
2 license for the same lines of authority covered by the license
3 in the other state.

4 (2) To qualify for a license transfer, an individual
5 applicant must meet the following requirements:

6 (a) The individual has become a resident of this
7 state;

8 (b) The individual has been licensed in another state
9 for a minimum of one year immediately preceding the date the
10 individual became a resident of this state; and

11 (c) The individual submits a completed Florida
12 application which is received by the department within 90 days
13 of the date the individual became a resident of this state,
14 along with payment of the applicable fees set forth in s.
15 626.501 and submission of the following documents:

16 1. A certification issued by the appropriate official
17 of the applicant's home state identifying the type of license
18 and lines of authority under the license and stating that, at
19 the time the license from the home state was cancelled, the
20 applicant was in good standing in that state or that the
21 state's Producer Database records, maintained by the National
22 Association of Insurance Commissioners, its affiliates or
23 subsidiaries, indicate that the agent is or was licensed in
24 good standing for the line of authority requested; and

25 2. A set of the individual applicant's fingerprints in
26 accordance with s. 626.171(5).

27 (d) The individual satisfies pre-licensing education
28 requirements in this state, unless the completion of
29 pre-licensing education requirements was a prerequisite for
30 licensure in the other state and the pre-licensing education
31 requirements in the other state are substantially equivalent

1 to Florida's pre-licensing requirements as determined by the
2 Insurance Commissioner of this state.

3 (e) The individual satisfies the examination
4 requirement under s. 626.221, unless exempt thereunder.

5 (3) An applicant satisfying the requirements for a
6 license transfer under subsection (2) of this section shall be
7 approved for licensure in this state unless the department
8 finds grounds exist under s. 626.611 or 626.621 for refusal,
9 suspension, or revocation of a license.

10 Section 14. Section 626.301, Florida Statutes, is
11 amended to read:

12 626.301 Form and contents of licenses, in
13 general.--Each license issued by the department shall be in
14 such form as the department may designate and contain ~~show~~ the
15 licensee's name, lines of authority classes of insurance the
16 licensee is authorized to transact, the licensee's personal
17 identification number, the date of issuance, and any other
18 information the department deems necessary ~~the name of the~~
19 ~~licensee~~. The department may by rule require photographs of
20 applicants as a part of the licensing process.

21 Section 15. Paragraphs (b) and (f) of subsection (1)
22 of section 626.321, Florida Statutes, are amended to read:

23 626.321 Limited licenses.--

24 (1) The department shall issue to a qualified
25 individual, or a qualified individual or entity under
26 paragraphs (c), (d), and (e), a license as agent authorized to
27 transact a limited class of business in any of the following
28 categories:

29 (b) Industrial fire insurance or burglary
30 insurance.--License covering only industrial fire insurance or
31 burglary insurance. The applicant for such a license shall

1 pass a written examination covering such insurance. No
2 individual while so licensed shall hold a license as an agent
3 ~~or solicitor~~ as to any other or additional kind or class of
4 insurance coverage except as to life and health insurances.

5 (f) Credit insurance.--License covering only credit
6 insurance, as such insurance is defined in s. 624.605(1)(i),
7 and no individual or entity so licensed shall, during the same
8 period, hold a license as an agent ~~or solicitor~~ as to any
9 other or additional kind of life or health insurance with the
10 exception of credit life or disability insurance as defined in
11 paragraph (e). The same licensing provisions as outlined in
12 paragraph (e) apply to entities licensed as credit insurance
13 agents under this paragraph.

14 Section 16. Section 626.535, Florida Statutes, is
15 created to read:

16 626.535 Reporting of actions.--An agent shall submit
17 to the department within 30 days after the final disposition
18 of any administrative action taken against the agent by a
19 governmental agency in this or any other state or jurisdiction
20 relating to the business of insurance, the sale of securities,
21 or activity involving fraud, dishonesty, trustworthiness or
22 breach of a fiduciary duty, a copy of the order, consent to
23 order or other relevant legal documents. The department may
24 adopt rules implementing the provisions of this section.

25 Section 17. Section 626.551, Florida Statutes, is
26 amended to read:

27 626.551 Notice of change of address, name.--Every
28 licensee shall notify the department in writing within 60 ~~30~~
29 days after a change of name, residence address, principal
30 business street address, or mailing address. Any licensed
31 agent who has moved his or her residence from this state shall

1 have his or her license and all appointments immediately
2 terminated by the department. Failure to notify the
3 department within the required time period shall result in a
4 fine not to exceed \$250 for the first offense and, for
5 subsequent offenses, a fine of not less than \$500 or
6 suspension or revocation of the license pursuant to ss.
7 626.611 or 626.621.

8 Section 18. Section 626.727, Florida Statutes, is
9 amended to read:

10 626.727 Scope of this part.--This part applies only
11 to:

12 (1) General lines agents, as defined in s. 626.015
13 ~~626.041~~;

14 (2) Solicitors, as defined in s. 626.015 ~~626.071~~;

15 (3) Customer representatives as defined in s. 626.015
16 ~~626.072~~; and

17 (4) Service representatives, as defined in s. 626.015
18 ~~626.081~~, or managing general agents, as defined in s. 626.015
19 ~~626.091~~.

20 Section 19. Section 626.729, Florida Statutes, is
21 amended to read:

22 626.729 "Industrial fire insurance" defined.--For the
23 purposes of this code, "industrial fire insurance" is
24 insurance against loss by fire of either buildings and other
25 structures or contents, which may include extended coverage;
26 windstorm insurance; basic limits owner's, landlord's, or
27 tenant's liability insurance with single limits of \$25,000;
28 comprehensive personal liability insurance with a single limit
29 of \$25,000; or burglary insurance, under which the premiums
30 are collected quarterly or more often and the face amount of
31 the insurance provided by the policy on one risk is not more

1 than \$50,000, including the contents of such buildings and
2 other structures, and the insurer issuing such policy is
3 operating under a system of collecting a debit by its agents.
4 A temporary license for an industrial fire or burglary agent
5 issued pursuant to s. ~~626.175~~ ~~626.740~~ shall be solely for the
6 purpose of collecting premiums and servicing in-force
7 policies, and such licensee shall not directly or indirectly
8 solicit, negotiate, or effect contracts of insurance.

9 Section 20. Subsections (1) and (2) of section
10 626.730, Florida Statutes, are amended to read:

11 626.730 Purpose of license.--

12 (1) The purpose of a license issued under this code to
13 a general lines agent, customer representative, or solicitor
14 is to authorize and enable the licensee actively and in good
15 faith to engage in the insurance business as such an agent,
16 customer representative, or solicitor with respect to the
17 public and to facilitate the public supervision of such
18 activities in the public interest, and not for the purpose of
19 enabling the licensee to receive a rebate of premium in the
20 form of commission or other compensation as an agent, or
21 ~~customer representative, or solicitor~~ or enabling the licensee
22 to receive commissions or other compensation based upon
23 insurance solicited or procured by or through him or her upon
24 his or her own interests or those of other persons with whom
25 he or she is closely associated in capacities other than that
26 of insurance agent, or ~~customer representative, or solicitor~~.

27 (2) The department shall not grant, renew, continue,
28 or permit to exist any license or appointment as such agent
29 or, ~~customer representative, or solicitor~~ as to any applicant
30 therefor or licensee or appointee thereunder if it finds that
31 the license or appointment has been, is being, or will

1 probably be used by the applicant, licensee, or appointee for
2 the purpose of securing rebates or commissions on "controlled
3 business," that is, on insurance written on his or her own
4 interests or those of his or her family or of any firm,
5 corporation, or association with which he or she is
6 associated, directly or indirectly, or in which he or she has
7 an interest other than as to the insurance thereof.

8 Section 21. Section 626.7315, Florida Statutes, is
9 created to read:

10 626.7315 Prohibition against the unlicensed
11 transaction of general lines insurance.--

12 (1) With respect to any line of authority as defined
13 in s. 626.015, no individual shall, unless licensed as a
14 general lines agent:

15 (a) Solicit insurance or procure applications
16 therefor;

17 (b) In this state, receive or receipt for any money on
18 account of or for any insurer, or receive or receipt for money
19 from other persons to be transmitted to any insurer for a
20 policy, contract, or certificate of insurance or any renewal
21 thereof, even though the policy, certificate, or contract is
22 not signed by him or her as agent or representative of the
23 insurer;

24 (c) Directly or indirectly represent himself or
25 herself to be an agent of any insurer or as an agent, to
26 collect or forward any insurance premium, or to solicit,
27 negotiate, effect, procure, receive, deliver, or forward,
28 directly or indirectly, any insurance contract or renewal
29 thereof or any endorsement relating to an insurance contract,
30 or attempt to effect the same, of property or insurable
31 business activities or interests, located in this state;

1 (d) In this state, engage or hold himself or herself
2 out as engaging in the business of analyzing or abstracting
3 insurance policies or of counseling or advising or giving
4 opinions, other than as a licensed attorney at law, relative
5 to insurance or insurance contracts, for fee, commission, or
6 other compensation, other than as a salaried bona fide
7 full-time employee so counseling and advising his or her
8 employer relative to the insurance interests of the employer
9 and of the subsidiaries or business affiliates of the
10 employer;

11 (e) In any way directly or indirectly make or cause to
12 be made, or attempt to make or cause to be made, any contract
13 of insurance for or on account of any insurer;

14 (f) Solicit, negotiate, or in any way directly or
15 indirectly effect insurance contracts, if a member of a
16 partnership or association, or a stockholder, officer, or
17 agent of a corporation which holds an agency appointment from
18 any insurer; or

19 (g) Receive or transmit applications for suretyship,
20 or receive for delivery bonds founded on applications
21 forwarded from this state, or otherwise procure suretyship to
22 be effected by a surety insurer upon the bonds of persons in
23 this state or upon bonds given to persons in this state.

24 Section 22. Subsection (1) of s. 626.732, Florida
25 Statutes, is amended to read:

26 626.732 Requirement as to knowledge, experience, or
27 instruction.--

28 (1) Except as provided in subsection (3), no applicant
29 for a license as a general lines agent, except for a chartered
30 property and casualty underwriter (CPCU), other than as to a
31 limited license as to baggage and motor vehicle excess

1 liability insurance, credit property insurance, credit
2 insurance, or in-transit and storage personal property
3 insurance, shall be qualified or licensed unless within the 4
4 years immediately preceding the date the application for
5 license is filed with the department the applicant has:

6 (a) Taught or successfully completed classroom courses
7 in insurance satisfactory to the department at a school,
8 college, or extension division thereof, approved by the
9 department;

10 (b) Completed a correspondence course in insurance
11 satisfactory to the department and regularly offered by
12 accredited institutions of higher learning in this state and,
13 except if he or she is applying for a limited license under s.
14 626.321, has had at least 6 months of responsible insurance
15 duties as a substantially full-time bona fide employee in all
16 lines of property and casualty insurance set forth in the
17 definition of general lines agent under s. 626.015 ~~s.~~
18 ~~626.041(1)~~; or

19 (c) Completed at least 1 year in responsible insurance
20 duties as a substantially full-time bona fide employee in all
21 lines of property and casualty insurance, exclusive of
22 aviation and wet marine and transportation insurances but not
23 exclusive of boats of less than 36 feet in length or aircraft
24 not held out for hire, as set forth in the definition of a
25 general lines agent under s. 626.015 ~~s. 626.041(1)~~, without
26 the education requirement mentioned in paragraph (a) or
27 paragraph (b); or

28 (d)1. Completed at least 1 year of responsible
29 insurance duties as a licensed and appointed customer
30 representative in either commercial or personal lines of
31 property and casualty insurance and 40 hours of classroom

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

9 Section 23. Effective July 1, 2002, subsections (4)
10 and (5) are added to section 626.738, Florida Statutes, to
11 read:

12 626.738 Solicitor's powers; agent's or agency's
13 responsibility.--

14 (4) The Department shall not issue or renew solicitor
15 licenses on or after October 1, 2002. Effective 12:01 a.m.,
16 October 1, 2002, all solicitor licenses and appointments shall
17 be canceled by operation of law. All solicitor licensees may
18 have their license converted to a general lines agent license.
19 No later than August 1, 2002, the department shall notify
20 existing solicitor licensees of the procedure for converting
21 their license to a general lines agent license, including the
22 requirement of a written request to have the license converted
23 and payment of any required fees. Upon receipt of the written
24 request and fee, the department shall issue a general lines
25 insurance agent license to the solicitor licensee. Conversion
26 of existing solicitor licenses to general lines agent licenses
27 shall be completed prior to October 1, 2002.

28 (5) After the department converts the solicitor
29 license to a general lines agent license, the licensee must
30 comply with all provisions of the Insurance Code pertaining to
31 general lines agents.

1 Section 24. Section 626.741, Florida Statutes, is
2 amended to read:

3 626.741 Nonresident agents; licensing and
4 restrictions.--

5 (1) The department may, upon written application and
6 the payment of the fees as specified in s. 624.501, issue a
7 license as:

8 (a) A nonresident general lines agent to an individual
9 ~~who is licensed in his or her home state as a resident agent~~
10 for the same line of authority as a Florida resident general
11 lines agent and otherwise qualified therefor under Florida
12 law, but who is not a resident of this state, if by the laws
13 of the individual's home state ~~of the individual's residence~~,
14 residents of this state may be licensed in a similar like
15 manner as a nonresident agent of his or her home state.

16 (b) A customer representative to an individual ~~who is~~
17 otherwise qualified therefor, who is not a resident of this
18 state, but ~~who~~ is a resident of a state sharing that shares a
19 common boundary with this state.

20 (2) The department may enter into reciprocal
21 agreements with the appropriate official of any other state
22 waiving the written examination of any applicant resident in
23 that other state if:

24 (a) In the applicant's home state, a resident of this
25 state is privileged to procure a general lines agent's license
26 upon the foregoing conditions and without discrimination as to
27 fees or otherwise in favor of the residents of the
28 individual's home state;

29 (b) The appropriate official of the individual's home
30 state certifies the applicant holds a currently valid license
31

1 as a resident agent in his or her home state for the same line
2 of authority as a Florida general lines agent.

3 (c) The applicant satisfies the examination
4 requirement under s. 626.221, or qualifies for an exemption
5 thereunder.

6 ~~(3)(2)~~ The department shall not, however, issue any
7 license and appointment to any nonresident who has an office
8 or place of business in this state, or who has any direct or
9 indirect pecuniary interest in any insurance agent, insurance
10 agency, or in any solicitor licensed as a resident of this
11 state; nor to any individual who does not, at the time of
12 issuance and throughout the existence of the Florida license,
13 hold a license as agent or broker issued by the his or her
14 home state ~~of his or her residence~~; nor to any individual who
15 is employed by any insurer as a service representative or who
16 is a managing general agent in any state, whether or not also
17 licensed in another state as an agent or broker. The
18 foregoing requirement to hold a similar license in the
19 applicant's home state ~~of residence~~ does not apply to customer
20 representatives unless the home state licenses residents of
21 that state in a similar ~~like~~ manner. The prohibition against
22 having an office or place of business in this state does not
23 apply to customer representatives who are required to conduct
24 business solely within the confines of the office of a
25 licensed and appointed Florida resident general lines agent in
26 this state. The authority of such nonresident license is
27 limited to the specific lines of authority granted in the
28 license issued by the agent's home state ~~of residence~~ and
29 further limited to the specific lines authorized under the
30 nonresident license issued by this state. The department shall
31 have discretion to refuse to issue any license or appointment

1 to a nonresident when it has reason to believe that the
2 applicant by ruse or subterfuge is attempting to avoid the
3 intent and prohibitions contained in this subsection or to
4 believe that any of the grounds exist as for suspension or
5 revocation of license as set forth in ss. 626.611 and 626.621.

6 ~~(4)(3)~~ Such a nonresident shall not directly or
7 indirectly solicit, negotiate, or effect insurance contracts
8 in this state unless accompanied by a countersigning agent,
9 resident in this state, on such risk.

10 ~~(5)(4)~~(a) All insurance policies as defined in s.
11 627.402, written under the nonresident agent's license,
12 including those written or issued pursuant to the Surplus
13 Lines Law, part VIII, on risks or property located in this
14 state must be countersigned by a local agent resident of this
15 state; and it shall be the duty and responsibility of the
16 nonresident agent, and, if called upon to do so by the
17 countersigning agent, of the insurer likewise, to assure that
18 such resident local agent receives the same commission as
19 allowed by the home state ~~of residence~~ of the nonresident
20 agent, but in no event shall the resident local agent receive,
21 accept, or retain less than 50 percent of the usual Florida
22 local agent's commission or 50 percent of the nonresident
23 agent's commission, whichever is less, on policies of
24 insurance covering property as defined in s. 624.604 and
25 insurance covering in whole or in part real property and
26 tangible personal property, including property floater
27 policies. On all other policies of insurance, including
28 insurance covering motor vehicles, plate glass, burglary,
29 robbery, theft, larceny, boiler and machinery, workers'
30 compensation, fidelity and surety, bodily injury liability,
31 and property damage liability, in no event shall he or she

1 receive, accept, or retain less than 25 percent of the usual
2 Florida local agent's commission or 25 percent of the
3 nonresident agent's commission, whichever is less.

4 (b) The provisions of this subsection, with respect to
5 resident agent countersignature commission, shall not be
6 applicable to any contracts of insurance purchased by a person
7 whose premiums for insurance in the preceding year of such
8 purchase exceeded \$250,000 in the aggregate. Nothing herein
9 is intended to preclude the negotiation and payment of a
10 commission to the countersigning agent to compensate him or
11 her for services performed or to be performed.

12 (6)~~(5)~~ Any individual who holds a Florida nonresident
13 agent's license, upon becoming a resident of this state may,
14 for a period not to exceed 90 days, continue to transact
15 insurance in this state under the nonresident license and
16 appointment. Such individual must make application for
17 resident licensure and must become licensed as a resident
18 agent within 90 days of becoming a resident of this state.

19 (7)~~(6)~~ Upon becoming a resident of this state, an
20 individual who holds a Florida nonresident agent's license is
21 no longer eligible for licensure as a nonresident agent if
22 such individual fails to make application for a resident
23 license and become licensed as a resident agent within 90
24 days. His or her license and any appointments shall be
25 canceled immediately. He or she may apply for a resident
26 license pursuant to s. 626.731.

27 (8)~~(7)~~ Except as provided in this section and ss.
28 626.742 and 626.743, nonresident agents shall be subject to
29 the same requirements as apply to agents resident in this
30 state.

31

1 (9) If available, the department shall verify the
2 nonresident applicant's licensing status through the Producer
3 Database maintained by the National Association of Insurance
4 Commissioners, its affiliates or subsidiaries.

5 Section 25. Subsection (6) of section 626.7454,
6 Florida Statutes, is amended to read:

7 626.7454 Managing general agents; duties of
8 insurers.--

9 (6) An insurer shall review its books and records on a
10 quarterly basis to determine if any producer has become a
11 managing general agent as defined in s. 626.015 ~~626.091~~. If
12 the insurer determines that a producer has become a managing
13 general agent, the insurer shall promptly notify the producer
14 and the department of such determination and the insurer and
15 producer must fully comply with the provisions of this section
16 and ss. 626.7451, 626.7452, and 626.7453 within 30 days after
17 such determination.

18 Section 26. Section 626.7455, Florida Statutes, is
19 created to read:

20 626.7455 Managing general agent; responsibility of
21 insurer.--

22 (1) No insurer shall enter into an agreement with any
23 person to manage the business written in this state by the
24 general lines agents appointed by the insurer or appointed by
25 the managing general agent on behalf of the insurer unless the
26 person is properly licensed and appointed as a managing
27 general agent in this state. An insurer shall be responsible
28 for the acts of its managing general agent when the agent acts
29 within the scope of his or her authority.

30
31

1 (2) This section does not apply to surplus lines
2 insurance when written pursuant to the Surplus Lines Law, ss.
3 626.913-626.937.

4 Section 27. Section 626.779, Florida Statutes, is
5 amended to read:

6 626.779 "Life agent" defined.--For the purposes of
7 this part, a "life agent" is as defined in s. ~~626.015~~ 626.051.

8 Section 28. Section 626.7845, Florida Statutes, is
9 created to read:

10 626.7845 Prohibition against unlicensed transaction of
11 life insurance.--

12 (1) An individual may not solicit or sell variable
13 life insurance, variable annuity contracts, or any other
14 indeterminate value or variable contract as defined in s.
15 627.8015, unless the individual has successfully completed a
16 licensure examination relating to variable annuity contracts
17 authorized and approved by the department.

18 (2) Except as provided in s. 626.112(6), with respect
19 to any line of authority specified in s. 626.015(11), no
20 individual shall, unless licensed as a life agent:

21 (a) Solicit insurance or annuities or procure
22 applications; or

23 (b) In this state, engage or hold himself or herself
24 out as engaging in the business of analyzing or abstracting
25 insurance policies or of counseling or advising or giving
26 opinions to persons relative to insurance or insurance
27 contracts other than:

28 1. As a consulting actuary advising an insurer; or

29 2. As to the counseling and advising of labor unions,
30 associations, trustees, employers or other business entities,
31 the subsidiaries and affiliates of each, relative to their

1 interests and those of their members or employees under
2 insurance benefit plans.

3 Section 29. Subsection (1) of section 626.790, Florida
4 Statutes, is amended to read:

5 626.790 Temporary license; pending examination.--

6 (1) Each applicant for a life agent's license to
7 represent an insurer of the industrial or ordinary-combination
8 class may, upon payment of the required license and
9 appointment fees, have issued to him or her a temporary
10 license for a period not exceeding 6 months. The department
11 shall not issue a temporary license as to an ordinary class
12 agent, except as provided in s. 626.175 ~~s. 626.791~~.

13 Section 30. Subsections (1) and (2) of section
14 626.792, Florida Statutes, are amended, and subsection (9) is
15 added to read:

16 626.792 Nonresident agents; licensing and
17 restrictions.--

18 (1) The department may, upon written application and
19 the payment of the fees as specified in s. 624.501, issue a
20 license as a nonresident life agent to an individual ~~a person~~
21 not resident of this state, upon compliance with the
22 applicable provisions of this code, if that individual's home
23 ~~the state or province of Canada of such person's residence~~
24 will accord the same privilege to a resident of this state.

25 (2) The department may enter into reciprocal
26 agreements with the appropriate official of any other state or
27 province of Canada waiving the written examination of any
28 applicant resident in such other state or province if in that
29 other state or province, a resident of this state is
30 privileged to procure a life insurance agent's license upon
31 the foregoing conditions and without discrimination as to fees

1 or otherwise in favor of the residents of such other state or
2 province; and

3 (a) A written examination, substantially equivalent to
4 Florida's examination, is required of an applicant for a life
5 insurance agent's license in such other state or province; and

6 (b) The appropriate official of the other state or
7 province certifies that the applicant holds a currently valid
8 license as a life insurance agent in such other state or
9 province and ~~either~~ satisfies the examination requirement
10 under s. 626.221 or is exempt thereunder. ~~passed such a~~
11 ~~written examination or was the holder of a life insurance~~
12 ~~agent's license prior to the time a written examination was~~
13 ~~required; and~~

14 (c) ~~In such other state or province, a resident of~~
15 ~~this state is privileged to procure a life insurance agent's~~
16 ~~license upon the foregoing conditions and without~~
17 ~~discrimination as to fees or otherwise in favor of the~~
18 ~~residents of such other state or province.~~

19 (9) If available, the department shall verify the
20 nonresident applicant's licensing status through the Producer
21 Database maintained by the National Association of Insurance
22 Commissioners, its affiliates or subsidiaries.

23 Section 31. Section 626.8305, Florida Statutes, is
24 created to read:

25 626.8305 Prohibition against the unlicensed
26 transaction of health insurance.--

27 (1) Except as provided in s. 626.112(6), with respect
28 to any line of authority specified in s. 626.015(7), no
29 individual shall, unless licensed as a health agent:

30 (a) Solicit insurance or procure applications; or
31

1 (b) In this state engage or hold himself or herself
2 out as engaging in the business of analyzing or abstracting
3 insurance policies or of counseling or advising or giving
4 opinions to persons relative to insurance contracts other
5 than:

- 6 1. As a consulting actuary advising insurers; or
7 2. As to the counseling and advising of labor unions,
8 associations, trustees, employers or other business entities,
9 the subsidiaries and affiliates of each, relative to their
10 interests and those of their members or employees under
11 insurance benefit plans.

12 Section 32. Subsections (1) and (2) of section
13 626.835, Florida Statutes, is amended, and subsection (9) of
14 said sections is added to read:

15 626.835 Nonresident agents; licensing and
16 restrictions.--

17 (1) The department may, upon written application and
18 the payment of the fees as specified in s. 624.501, issue a
19 license as a nonresident health agent to an individual a
20 ~~person~~ not a resident of this state, if the state or province
21 of Canada of such individual's ~~person's~~ residence will accord
22 the same privilege to a resident of this state.

23 (2) The department may enter into reciprocal
24 agreements with the appropriate official of any other state or
25 province of Canada waiving the written examination of any
26 applicant resident in such other state or province if in such
27 other state or province, a resident of this state is
28 privileged to procure a health insurance agent's license upon
29 the foregoing conditions and without discrimination as to fees
30 or otherwise in favor of the residents of such other state or
31 province; and

1 (a) A written examination, substantially equivalent to
2 Florida's examination, is required of an applicant for a
3 health insurance agent's license in such other state or
4 province; and

5 (b) The appropriate official of the other state or
6 province certifies that the applicant holds a currently valid
7 license as a health insurance agent in such other state or
8 province and either satisfies the examination requirement
9 under s. 626.221 or is exempt thereunder, ~~has passed such a~~
10 ~~written examination or was the holder of a health insurance~~
11 ~~agent's license prior to the time a written examination was~~
12 ~~required; and~~

13 ~~(c) In such other state or province, a resident of~~
14 ~~this state is privileged to procure a health insurance agent's~~
15 ~~license upon the foregoing conditions and without~~
16 ~~discrimination as to fees or otherwise in favor of the~~
17 ~~residents of such other state or province.~~

18 (9) If available, the department shall verify the
19 producer's licensing status through the Producer Database
20 maintained by the National Association of Insurance
21 Commissioners, its affiliates or subsidiaries.

22 Section 33. Paragraph (b) of subsection (1) of section
23 626.8411, Florida Statutes, is amended to read:

24 626.8411 Application of Florida Insurance Code
25 provisions to title insurance agents or agencies.--

26 (1) The following provisions of part II, as applicable
27 to general lines agents or agencies, also apply to title
28 insurance agents or agencies:

29 (b) Section 626.175 ~~626.739~~, relating to temporary
30 licenses.

31

1 Section 34. Subsection (6) is added to section
2 626.852, Florida Statutes, to read:

3 626.852 Scope of this part.--

4 (6) This part does not apply to any person who adjusts
5 only multiple-peril crop insurance or crop hail claims.

6 Section 35. Subsection (2) of section 626.927, Florida
7 Statutes, is amended to read:

8 626.927 Licensing of surplus lines agent.--

9 (2) Any individual while licensed and appointed as a
10 managing general agent as defined in s. 626.015 ~~626.091~~, or
11 service representative as defined in s. 626.015 ~~626.081~~, and
12 who otherwise possesses all of the other qualifications of a
13 general lines agent under this code, and who has a minimum of
14 1 year's experience working for a licensed surplus lines agent
15 or who has successfully completed 60 class hours in surplus
16 and excess lines in a course approved by the department, may,
17 upon taking and successfully passing a written examination as
18 to surplus lines, as given by the department, be licensed as a
19 surplus lines agent solely for the purpose of placing with
20 surplus lines insurers property, marine, casualty, or surety
21 coverages originated by general lines agents; except that no
22 examination as for a general lines agent's license shall be
23 required of any managing general agent or service
24 representative who held a Florida surplus lines agent's
25 license as of January 1, 1959.

26 Section 36. Subsection (4) of section 626.992, Florida
27 Statutes, is amended to read:

28 626.992 Use of viatical settlement licensed brokers,
29 providers, and sales agents required.--

30 (4) A person may not perform the functions of a
31 viatical settlement sales agent unless licensed as a life

1 agent as defined in s. 626.015 ~~626.051~~ and as provided in this
2 chapter.

3 Section 37. Paragraph (b) of subsection (6) of section
4 629.401, Florida Statutes, is amended to read:

5 629.401 Insurance exchange.--

6 (6)

7 (b) In addition to the insurance laws specified in
8 paragraph (a), the department shall regulate the exchange
9 pursuant to the following powers, rights, and duties:

10 10. Examination of agents.--If the department has
11 reason to believe that any agent, as defined in s. 626.015 ~~s.~~
12 ~~626.041~~, ~~s. 626.051~~, ~~s. 626.062~~, or s. 626.914, has violated
13 or is violating any provision of the insurance law, or upon
14 receipt of a written complaint signed by any interested person
15 indicating that any such violation may exist, the department
16 shall conduct such examination as it deems necessary of the
17 accounts, records, documents, and transactions pertaining to
18 or affecting the insurance affairs of such agent.

19 40. Agents.--

20 a. Agents as defined in ss. 626.015 ~~ss. 626.041~~,
21 ~~626.051~~, ~~626.062~~, and 626.914 who are broker members or
22 associate broker members of an exchange shall be allowed only
23 to place on an exchange the same kind or kinds of business
24 that the agent is licensed to place pursuant to Florida law.
25 Direct Florida business as defined in s. 626.916 or s. 626.917
26 shall be written through a broker member who is a surplus
27 lines agent as defined in s. 626.914. The activities of each
28 broker member or associate broker with regard to an exchange
29 shall be subject to all applicable provisions of the insurance
30 laws of this state, and all such activities shall constitute
31

1 transactions under his or her license as an insurance agent
2 for purposes of the Florida insurance law.

3 b. Premium payments and other requirements.--If an
4 underwriting member has assumed the risk as to a surplus lines
5 coverage and if the premium therefor has been received by the
6 surplus lines agent who placed such insurance, then in all
7 questions thereafter arising under the coverage as between the
8 underwriting member and the insured, the underwriting member
9 shall be deemed to have received the premium due to it for
10 such coverage; and the underwriting member shall be liable to
11 the insured as to losses covered by such insurance, and for
12 unearned premiums which may become payable to the insured upon
13 cancellation of such insurance, whether or not in fact the
14 surplus lines agent is indebted to the underwriting member
15 with respect to such insurance or for any other cause.

16 Section 38. Subsection (7) of section 648.27, Florida
17 Statutes, is amended to read:

18 648.27 Licenses and appointments; general.--

19 (7) Any person who represents a surety company, whose
20 duties are restricted to bail bonds, and who comes under the
21 definition of "service representative" as provided in s.
22 626.015 ~~626.081~~ shall be licensed and appointed as a bail bond
23 agent.

24 Section 39. Sections 626.031, 626.041, 626.051,
25 626.062, 626.071, 626.072, 626.081, 626.091, 626.094, 626.101,
26 626.102, 626.103, 626.104, 626.736, 626.737, 626.738, 626.739,
27 626.740, 626.790, and 626.791, Florida Statutes, are hereby
28 repealed.

29 Section 40. Except as otherwise expressly provided in
30 this act, this act shall take effect October 1, 2002.

31